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REVIEW OF TECHNICAL COOPERATION ACTIVITIES OF UNCTAD

Report by the Secretary-General of UNCTAD

Annex I: REVIEW OF ACTIVITIES UNDERTAKEN IN 2001

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Note

All references to dollars ($) are to United States dollars.

Tables

Amounts in brackets indicate a negative value.

IALA means "Inter-Agency Letter of Agreement".

OPC means "operationally but not financially completed".

Details and percentages do not necessarily add up to totals, owing to rounding.

The financial data in the tables on projects reflect the situation as at 31 December 2001. Occasionally, total expenditures exceed total budget. Early in 2002, budget figures were corrected to reflect exact income. The negative amounts in the 2001 expenditures column pertain to the adjustments of prior year accounts and/or savings on the liquidation of prior years' obligations.

Abbreviations

ACIS	Advance Cargo Information System
ACP	African, Caribbean and Pacific (group of States)
AEC	African Economic Community
AGOA	African Growth and Opportunity Act
AIDS	Acquired immune deficiency syndrome
ALADI	Latin American Integration Association
APEC	Asia-Pacific Economic Cooperation Forum
ASEAN	Association of South-East Asian Nations
ASIT	Advisory Service on Investment and Technology
ATPSM	Agriculture Trade Policy Simulation Measures
BIT	Bilateral investment treaty
CAPAS	Coordinated African Programme of Assistance in Services
CBD	Convention on Biodiversity
CBTF	Capacity Building Task Force on Trade, Environment and Development
CDF	Communication and Discussion Facility
CDM	Clean development mechanism
CEMAC	Central African Economic and Monetary Community
CFC	Common Fund for Commodities
CIS	Commonwealth of Independent States
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COMESA	Common Market for Eastern and Southern Africa
CORPEI	Corporación de Promoción de Exportaciones e Inversiones
CPI	Consumer price index
CSD	Commission on Sustainable Development
DESA	Department of Economic and Social Affairs
DFID	Department for International Development
DMFAS	Debt Management and Financial Analysis System
DSE	German Foundation for International Development
DSM	Debt Sustainability Model
EAC	East African Community
ECA	Economic Commission for Africa
ECO	Economic Cooperation Organization
ECOWAS	Economic Community of West African States
EDIFACT	Electronic data interchange for administration, commerce and transport
EMPRETEC	Entrepreneurship Development Programme: also empreteco
EPPs	Environmentally preferable products
ETW	Entrepreneurship Training Workshops
CAPAS	Coordinated African Programme of Assistance in Services
FAO	Food and Agriculture Organization of the United Nations
FIAS	Foreign Investment Advisory Service
FTAA	Free Trade Area of the Americas
G-24	Group of Twenty-four on International Monetary Affairs
GATS	General Agreement on Trade in Services
GHG	Greenhouse gas

***Abbreviations** (continued)*

GSP	Generalized System of Preferences
GSTP	Global System of Trade Preferences among Developing Countries
GTZ	German Technical Assistance Corporation
HIPC	Heavily indebted poor country (Heavily Indebted Poor Countries Debt Initiative of the World Bank/IMF)
HIV	Human immunodeficiency virus
HRD	Human resources development
IAAER	International Association for Accounting Education and Research
ICC	International Chamber of Commerce
ICSID	International Centre for Settlement of Investment Disputes
ICT	Information and communication technology
ICTSD	International Centre for Trade and Sustainable Development
IDB	Inter-American Development Bank
IDRC	International Development Research Centre
IF	Integrated Framework
IFAC	International Federation of Accountants
IFAD	International Forum on Accountancy Development
IIA	International investment agreement
IICs	Inter-Institutional Committees
IMF	International Monetary Fund
IPR	Investment Policy Review
IRSG	International Rubber Study Group
ISAR	Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting
ISO	International Organization for Standardization
ITC	International Trade Centre UNCTAD/WTO
ITU	International Telecommunication Union
IUCN	World Conservation Union
JITAP	UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Selected Least Developed and other African Countries
LDC	Least developed country
LLDCs	Landlocked Developing Countries
MAI	Multilateral agreement on investment (OECD)
MARO	Market access and rules of origin
MERCOSUR	Southern Common Market (Mercado Común del Sur)
MIGA	Multilateral Investment Guarantee Agency
MTN	Multilateral trade negotiations
MTS	Multilateral trading system
NGO	Non-governmental organization
NIE	Newly industrializing economy
OAU	Organization of African Unity
OECD	Organisation for Economic Co-operation and Development
RBP	Restrictive business practices
SAARC	South Asian Association for Regional Cooperation

***Abbreviations** (concluded)*

SADC	Southern African Development Community
SAGIA	Saudi Arabian General Investment Authority
SEEPAD	South Eastern European Partnership on Accountancy Development
SIDS	Small Island Developing States
SIECA	Permanent Secretariat of the General Treaty on Central American Economic Integration
SITCD	SADC Industry and Trade Coordination Division
SMART	System for Market Analysis and Restrictions on Trade
SME	Small and medium-sized enterprises
SPS	Sanitary and phytosanitary
STI	Science, technology and innovation
STIPs	Science, technology and innovation policy reviews
TNC	Transnational corporation
TNF	Trade Negotiating Forum
TRAINS	Trade Analysis and Information System
TRIPS	Agreement on Trade-related Aspects of Intellectual Property Rights
UEMOA	West African Economic and Monetary Union
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFIP	United Nations Fund for International Partnerships
UNIDO	United Nations Industrial Development Organization
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
VMM	Virtual Microfinance Market
WAIPA	World Association of Investment Promotion Agencies
WBCSD	World Business Council for Sustainable Development
WBG	World Bank Group
WCO	World Customs Organization
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WTO	World Trade Organization
WWF	World Wide Fund for Nature

Introduction

1. This annex provides a description of the main technical cooperation projects and programmes undertaken by UNCTAD in 2001. It is presented, as far as possible, in accordance with the structure of the divisions/branches of the secretariat responsible for backstopping the projects or programmes concerned. A list of individual projects implemented by each organizational unit follows the corresponding narrative.

Review of activities by programme area

A. Division on Globalization and Development Strategies

1. Macroeconomic and development policies

(a) Technical support to the Intergovernmental Group of 24

(i) General remarks

2. In 2001, the Project of Technical Support to the Intergovernmental Group of Twenty-four on International Monetary Affairs (G-24) continued to provide substantive inputs, in the form of studies and research papers, to the Group's preparation of negotiations on international monetary and financial issues in the framework of the IMF's International Monetary and Financial Committee, the Joint IMF/World Bank Development Committee and other bodies which also helped in the formulation of proposals in the context of preparations for the International Conference on Financing for Development. The project has continued to be financed jointly by the Governments of Denmark and the Netherlands, the International Development Research Centre of Canada (IDRC) and the G-24 countries themselves.

(ii) Technical meetings and advisory services

3. The Technical Group of the G-24 met in April 2001 in Washington, DC. In line with established practice, it was provided with drafts of studies and research papers commissioned under the project from leading international experts. The Group, composed of technical staff from Governments and central banks of member countries, reviewed and discussed the studies, with particular reference to the policy implications of the research findings for developing countries. In addition the authors of research papers commissioned under the project, a number of guest speakers and experts pursuing research closely related to the topics on the agenda of the research programme presented papers at the Technical Group meeting. Subsequent to the discussions at that meeting, the papers were revised by the authors and submitted to the meetings of the G-24 Deputies and Ministers, which regularly precede the spring and autumn sessions of the International Monetary and Financial Committee and the Development Committee.

4. The research programme for 2001/2002, elaborated by the Research Coordinator, was discussed at the Technical Group meeting and formally approved by the G-24 Ministers at their spring meeting in Washington, DC, in April 2001.

(iii) Research completed

5. The research papers presented to the meeting of the G-24 Technical Group and the G-24 Deputies and Ministers in April 2001 dealt with a broad range of issues reflecting the preoccupations of the developing countries in a world economy that it is characterized by an increasing interdependence between finance, investment and trade. The papers covered topics related to legal reform and corporate governance in developing countries, the supply of global public goods, the impact of G-3 currency volatility on

developing countries, the link between exchange rate policies, capital account liberalization and growth, and issues related to organizational reform and governance of the IMF and the World Bank. The meeting was chaired by the Deputy Governor of the Central Bank of Nigeria, and the discussions were guided by the Research Coordinator, with substantive and administrative support from the UNCTAD secretariat. The following papers were presented and discussed at the meeting:

- "The Politics of Legal Reform", by Florencio Lopez de Silanes (John F. Kennedy School of Government, Harvard University);
- "Exchange Rate Policy in Latin America: The Costs of the Conventional Wisdom", by John Williamson (Institute for International Economics);
- "The Impact of G-3 Currency Volatility on Developing Countries", by Gerardo Esquivel (El Colegio de México) and Felipe Larraìn (Pontificia Universidad Católica de Chile);
- "Organizational Reform and the Expansion of the South's Voice at the Fund", by Martha Finnemore (George Washington University) and Peter Evans (University of California, Berkeley);
- "The World Bank as a Necessarily 'Unforthright' Organization", by Robert Wade (London School of Economics and Wissenschaftskolleg Berlin);
- "The Common Pool Dilemma of Global Public Goods: Lessons from the World Bank's Net Income and Reserves", by Devesh Kapur (Weatherhead Center for International Affairs, Harvard University);
- "Did the Malaysian Capital Controls Work?" by Ethan Kaplan and Dani Rodrik (John F. Kennedy School of Government, Harvard University);
- "Globalization and Growth in Emerging Markets", by Joseph Stiglitz (Stanford University);
- "Capital Market Liberalization, Economic Growth and Instability", by Joseph Stiglitz (Stanford University); and
- "Corporate Governance in Africa: The Record and Policies for Good Corporate Governance", by Melvin D. Ayogu (University of Cape Town).

6. Moreover, upon request of the G-24, advisory services were provided under the project, by Jeffrey Sachs (Harvard University), to the Head of the newly created Independent Evaluation Office of the IMF, to specify the concerns of the developing countries in the work of that office.

(iv) Ongoing research activities

7. In line with the research programme for 2001/2002, six more studies are currently under preparation, for submission to the Technical Group meetings in the course of 2002. They cover the following topics:

- Origins, purpose and evolution of IMF conditionality (research paper commissioned from Ariel Buira, St. Anthony's College, Oxford University);
- International public goods: Operational implications for the World Bank and the IMF (research paper commissioned from Ravi Kanbur, Cornell University);
- Proposal for the reform of the multilateral development banks (issues paper commissioned from Devesh Kapur, Harvard University);

- A review of the poverty reduction strategy papers (research paper commissioned from James Levinsohn, University of Michigan);

- An analysis of the IMF macroeconomic/banking/corporate restructuring programmes in Indonesia, with comparisons to Thailand and Malaysia (research paper commissioned from Mari Pangestu, Centre for Strategic and International Studies, Jakarta); and

- International and developmental dimensions of competition and competition policy in emerging markets (research paper commissioned from Ajit Singh, Queens's College, University of Cambridge).

8. Further issues envisaged for discussion under the 2001/2002 research programme are:

- Distributional issues in financial crises;

- Experience with alternative capital account regimes in emerging market economies;

- The potential role of regional monetary and financial arrangements in the prevention of financial crises;

- A review of the new Basle Capital Accord;

- Costing out financial codes and standards: the fiscal and human resource implications of the new international financial architecture;

- An update on the HIPC Initiative;

- Revisiting the question of financial burden sharing in the IMF;

- Review of IMF conditionality: can it be rendered more development-friendly?

- Implications of HIV/AIDS for IMF and World Bank programmes.

9. The research coordinator's proposals for an updated research programme for 2002/2003 will be discussed at a Technical Group meeting in Beirut in March 2002, for approval by the G-24 Ministers in April 2002.

(v) Publications

10. In the course of 2001, seven research papers that had been submitted previously to the G-24 meetings, and an additional paper of particular relevance, were published jointly by UNCTAD and the Center for International Development at Harvard University in the G-24 Discussion Paper Series. The publication is also accessible via the websites of UNCTAD, the G-24 and the Center for International Development at Harvard University. The editing and final processing of the texts were carried out by the UNCTAD secretariat, which also financed their printing.

(vi) Assessment

11. As in previous years, the UNCTAD Project of Technical Support to the G-24 was one of the main pillars of the Group's activities. The research work under the project has been greatly appreciated by the members of the Group for its high academic and analytical quality. The discussion of the research papers in the Technical Group, supported by inputs from leading international experts, has enhanced developing country policy makers' understanding of complex current and upcoming issues subject to discussion and negotiation in the international financial institutions. In the absence of a strong institutional framework for policy discussion among developing countries, the project has made an important contribution to their

efforts to identify important development issues in a rapidly changing international economic and financial environment, and in their relationship with the international financial institutions. Moreover, the meeting of the Technical Group served as a forum for the members of the G-24 to develop a common perspective on international monetary and financial relations.

12. Through the publication of the research papers it was possible to make output produced under the project available to a broader audience in both developed and developing countries, including policy makers, staff of the international financial institutions and other international agencies, academia and the press, and the interested public at large. The papers generally stimulated the international academic and policy debate on monetary and financial issues from a development perspective.

(vii) Administrative matters

13. The function of Research Coordinator continued to be entrusted to Professor Dani Rodrik (John F. Kennedy School of Government, Harvard University). The Research Coordinator attended the meeting of the Technical Group, as well as the spring and autumn meetings of the G-24 Ministers and Deputies. On these occasions he also met with the members of the G-24 Bureau for consultations on the research programme. The Research Coordinator worked in close cooperation with the G-24 Liaison Office in Washington, DC, and the UNCTAD secretariat, which provided general project management services and administrative support in all matters regarding recruitment of consultants, preparation of meetings, travel arrangements, financial accounting, and publication and dissemination of the research papers.

(b) Economic development and regional dynamics in Africa: Lessons from the East Asian experience

14. ***Development context:*** Before the financial crisis of 1997/98, several economies in East Asia were considered success stories of development. The crisis then prompted a debate on the appropriateness of the development strategy of the region's newly industrializing economies (NIEs), with particular attention given to financial policies and capital account regimes. A thorough analysis of the East Asian experience before, during and after the crisis can contribute to the design of adequate policies in other developing countries.

15. ***Objectives/features:*** The project aims at enhancing the understanding of policy makers in developing countries of the factors that have contributed to successful development in East and South-East Asia, but also of the remaining weaknesses and newly emerging problems in the NIEs. Given the particular needs in Africa for institution and capacity building, and the increasing importance of capital inflows for financial stability in the region, analytical stocktaking of the present situation and drawing lessons from experience with capital account regimes in East Asia and other regions are of particular value for policy makers in African countries.

16. ***Outcome/description of activities:*** In March 2001, a workshop was organized in Cairo, under the title "Management of capital flows: comparative experiences and implications for Africa", at which research papers on the following topics were presented: capital flows, capital account regimes and foreign exchange regimes in Africa; public debt and macroeconomic management in Africa; the OECD experience with capital account liberalization; capital account management in India and Malaysia; managing financial integration in China; corporate governance, competition, the new international financial architecture and large corporations in emerging markets; and problems of post-crisis reform in the Republic of Korea. The papers were discussed by policy makers from selected low- and middle-income African countries in the context of their requirements in the area of capital account management.

17. ***Results:*** The technical cooperation activities under this project helped to enhance the understanding of African policy-makers of the complex relationships between external financing, capital-account regimes, macroeconomic policies, and trade and development. They promoted a dialogue between researchers from both developed and developing countries, thereby contributing to capacity building for appropriate policy-making as well as to strengthening the policy relevance of economic research for

African growth and development. The research papers, after being revised in the light of the discussions at the Cairo workshop, as well as the conclusions drawn from the debate will be published in 2002 to give these findings a wider circulation. The technical cooperation activities under this project have also benefited from the regular analytical work in the Division, while the deliberations at the Cairo workshop are helping the orientation of the Division's future research on African development.

2. The DMFAS Programme

18. ***Development context:*** The scant attention paid by many developing countries to the basic functions of debt management was one of the factors contributing to the debt crisis of the 1980s. These basic functions include: (a) the compilation of accurate and up-to-date records on all external loans; (b) full awareness of the timing and amounts of debt-servicing obligations; and (c) the possibility of projecting the impact of foreign borrowing decisions of various entities on the overall debt profile and balance of payments.

19. As indicated in the Monterrey Consensus (para. 47): "Sustainable debt financing is an important element for mobilizing resources for public and private investment. National comprehensive strategies to monitor and manage external liabilities, embedded in the domestic preconditions for debt sustainability, including sound macroeconomic policies and public resource management, are a key element in reducing national vulnerabilities. Debtors and creditors must share the responsibility for preventing and resolving unsustainable debt situations. Technical assistance for external debt management and debt tracking can play an important role and should be strengthened."

20. ***Objectives:*** The objectives of the Debt Management and Financial Analysis System (DMFAS) Programme are: to help developing countries and countries in transition to develop appropriate administrative, institutional and legal structures for effective debt management; to establish an adequate information system, with detailed and aggregated data on loan contracts, past and future disbursements, and past and future debt service payments; to improve national capacity to define and select appropriate debt strategies; and to increase national capacity to record grants and projects financed from external resources, thereby contributing to aid management.

21. ***Features:*** The core of the DMFAS technical cooperation package is the provision of a computer-based debt management system. This system is usually installed in central banks or ministries of finance within the framework of a technical cooperation country project, funded by UNDP, other multilateral or bilateral donors, or sometimes Governments themselves.

22. The assistance given under the Programme has three main features: (a) advisory services, including needs assessments and advice on technical, administrative, legal and institutional debt management issues, and assistance in software installation and maintenance; (b) software designed to meet the operational, statistical and analytical needs of debt managers and bodies involved in elaborating external debt strategies; and (c) training in the use of the software and in capacity building debt management issues in general.

23. With around 50 active country projects and total yearly extrabudgetary expenditure of about $2.2 million per year, the DMFAS Programme is one of the main technical cooperation programmes of UNCTAD. The DMFAS, which encompasses more than 17 years of cumulative experience in the area of debt management, is a state-of-the-art debt management system, and is currently the most widely used standard system in the world. Over the last seven years, the DMFAS Programme has more than doubled its client base to more than 60 countries.

24. ***Output:*** Major activities in 2001 included further implementation of the system in the requesting countries, DSM+ activities and the Third Interregional Debt Management Conference.

25. Since the beginning of 2001, the DMFAS Programme has collaborated with more than 60 developing countries and economies in transition. During the year, three countries still using the older version 4.1Plus

(Burundi, Egypt and Togo) were converted to the current version of the system, version 5.2. There remain three countries that are still using the older version 4.1Plus. It is expected that they will convert to the latest version during 2002-2003. After the installation of the latest version 5.2 in another 9 countries during 2001, versions 5.0/5.1/5.2 are now installed in 70 institutions in 55 countries. Follow-up projects are being prepared for many of these countries and negotiations and project preparations are under way in order to install the system in at least 10 new countries. At the same time, work on the development of a new version has started.

26. Also, in many countries the system is installed in both the ministry of finance and the central bank. The trend whereby these two institutions are linked electronically through DMFAS (on a wide-area-network) is expected to continue. The number of institutions where the system is currently installed will increase even more than the number of countries.

27. Negotiations and project preparations are also under way in order to start new country projects and to install the system in more than five new countries, including Algeria, Chile, Congo, Kyrgyzstan and Suriname.

28. The DMFAS Programme has continued its capacity building efforts to strengthen the analytical capabilities of debt management in the countries. Most importantly, it has enhanced its technical assistance programme to support the activities of debt managers, mainly in the preparation of debt sustainability analysis in the context of the countries' debt strategies, in order to improve the national decision-making process.

29. The DSM+ training programme has continued to be implemented in coordination with country projects. During 2001, training in the development of debt strategies using the DSM+ was provided in Paraguay, Yugoslavia, Gabon, Pakistan, Argentina and Guatemala. The results of the training programme have been positive. Furthermore, the DMFAS Programme has continued coordinating its capacity building activities in debt management with regional training centres. At the end of 2001, DSM+ was installed in most of the countries using DMFAS 5.2.

30. UNCTAD's Third Interregional Debt Management Conference, held in Geneva in December 2001, was attended by close to 200 debt managers and experts from more than 70 countries, as well as senior representatives of 10 international and regional institutions.

31. Like the previous interregional debt management conferences organized by UNCTAD, the meeting focused on recent developments of interest to professional debt managers, for example the institutional set-up for effective debt management; the management of sub-national debt; the new procedural guidelines for compilation of debt statistics; and the auditing of debt offices and monitoring of private sector non-guaranteed debt.

32. While the DMFAS Programme provides its products and services within the framework of country projects, for which funding is generally available, it operates with a central team of experts (now 19 professionals) based in Geneva. Since 1995, in addition to regular budget and country projects, this team has mostly been funded by a group of bilateral donors.

33. Faced with challenges to financial sustainability, UNCTAD established a DMFAS Advisory Group at the end of 2000, following a recommendation by the Trade and Development Board of UNCTAD. This group is composed of technical representatives of interested member States, including existing and potential donors and beneficiaries, and the UNCTAD secretariat. The group advises UNCTAD's Secretary-General on a range of issues affecting the programmes, including options for ensuring their financial sustainability. The second meeting of the Advisory Group took place in June 2001 (the first meeting having been held in November 2000). At this second meeting, a decision was taken to establish a replenishable DMFAS Trust Fund, which would cover the costs of the central programme for the period 2002-2005. Moreover, it was agreed that beneficiary countries would make voluntary contributions to the

programme for the maintenance and further development of the software. The Trust Fund is currently being finalized.

34. ***Results:*** The gains obtained from the DMFAS Programme by user countries are difficult to quantify, as the benefits of better information, analysis, negotiations and policy-making cannot easily be measured. However, it is generally accepted that these gains far exceed the cost of DMFAS country projects. The cost of these projects ranges from $60,000 to $1 million, depending on the activities to be undertaken, the size of the debt database to be computerized, and the equipment and staff included in the project. At the very least, DMFAS pays for itself by making debt-servicing procedures more efficient and by checking inconsistencies in the claims of creditor agencies. Substantial savings can also be made by avoiding unnecessary costs such as overpayments to creditors or penalty interests due to poor bookkeeping. In Argentina, for example, where the DMFAS project cost around $1 million, the direct savings made during the three-year implementation phase of the project amounted to around $25 million.

3. Special programmes

(a) UNCTAD's assistance to the Palestinian people

35. ***Development context:*** Since its establishment in 1994 of the Palestinian Authority (PA), it has been engaged in a sustained programme of economic reconstruction and development, with wide international involvement. The widespread economic crisis in the occupied Palestinian territory during 2001 entailed new economic pressures and policy challenges, while not diverting the PA from its strategic term development goals. UNCTAD's assistance to the Palestinian people has accordingly focused on operational activities in support of both immediate and medium-term PA development needs.

36. ***Objectives:*** Working in close cooperation and coordination with other concerned international agencies, the secretariat has responded to PA requests for assistance since 1995 in a range of areas. In line with the provisions of the United Nations Medium-term Plan for 1998-2001, as well as paragraph 167 of the Bangkok Plan of Action, UNCTAD continued its work, in accordance with its mandate, in assisting the Palestinian people to develop capacities for effective economic policy-making and management. Its programme of technical cooperation in this area aims to provide concrete assistance with a view to bolstering public institutional development and strengthening the enabling environment for the private sector.

37. ***Features/output:*** As a result of continuing streamlined and selective operational activities, especially advisory and consultancy services, group training and technical support, the year witnessed further progress in projects already begun and new assistance in other areas. While the situation during 2001 rendered the provision of technical assistance more complicated and enforced a more prudent pace, modalities were identified to permit the limited pursuit of work in these and several other project areas. In particular, modest but concrete progress was made in three projects:

- Support of small and medium-sized enterprise development (EMPRETEC);
- Strengthening technical capacities in customs administration – PHASE I;
- Strengthening capacities in debt monitoring and financial analysis (DMFAS).

38. UNCTAD was able to launch these projects despite extraordinary field conditions, which adversely affected the ability to deploy UNCTAD staff and expert missions as well as the travel of Palestinian trainees or national project staff. However, proposed project activities in other areas were pending owing to a lack of resources and priority attention to urgent economic needs arising from the recent crisis:

- Promoting the subregional cooperation of the Palestinian Authority with Egypt and Jordan: PHASE 2;

- Managerial and institutional capacities for Gaza Seaport;
- Strengthening capacities of the domestic insurance sector;
- International trade in strategic food commodities.

39. Continued deterioration in field conditions forced suspension of ongoing or planned technical assistance activities in the following areas:

- Training programme in international commercial diplomacy: PHASE II;
- Guidelines for sustainable development of the Palestinian economy.

40. Meanwhile, in response to a request by the Palestinian Authority's Minister of Economy and Trade, the secretariat initiated a joint effort with the International Trade Centre (ITC) to respond to urgent technical assistance needs posed by the economic crisis since October 2000. Despite an appeal to a number of donors to contribute to implementation of a package of urgent UNCTAD/ITC technical assistance, no funds were forthcoming. However, within the limits of existing resources, the secretariat was able by the end of 2001 to deliver advisory services on three issues identified by the PA in the context of the above-mentioned request:

- Strengthening trade efficiency: 2002-2003 Business Plan for Trade Point Palestine Ramallah;
- Regional maritime transportation alternatives for the Palestinian Authority;
- A framework for subregional transit transport arrangements for the Palestinian Authority.

41. ***Results:*** The analytical component and technical comparative advantages that UNCTAD maintains in this programme continue to feature as an essential prerequisite to effective design and sound implementation of technical assistance. Palestinian Authority's reliance on UNCTAD for policy advice, as reflected in the urgent requests for technical assistance, testifies to both the continued relevance of UNCTAD's competences and its flexibility in responding to beneficiary needs, in even the most uncertain circumstances. Palestinian Authority's preoccupation with urgent needs has not detracted, however, from pursuit of work in key institution-building projects, which have started to operate in a limited manner. Project design and implementation are coordinated closely with UNDP and other organizations. Relations with Palestinian Authority remain strong and based on confidence in the proven track record of UNCTAD's assistance.

(b) Trust Fund on Iron Ore

42. ***Development context:*** Following the cessation of the activities of the Association of Iron Ore Exporting Countries as from 1 June 1989, the Governments of certain countries decided to establish a trust fund on iron ore information to be administered by UNCTAD.

43. ***Output/results:*** *Iron Ore Statistics,* a statistical report published annually around August, continues a series that started in 1989. It contains tables with worldwide and country-specific data for iron ore production, exports, imports and prices, as well as pellet production, exports and production capacity and other data relevant to the world iron ore market. The *Market Report on Iron Ore* is an annual publication (usually issued in May) containing updated data on iron ore production, trade and prices, and the short-term outlook, as well as a market analysis. The sales income from these reports as a proportion of the total expenditures of the Fund has increased from around 25 per cent in the early 1990s to around 60 per cent in recent years.

A. DIVISION ON GLOBALIZATION AND DEVELOPMENT STRATEGIES

(In dollars)

Project number	*Short title*	*Duration*	*Source of fund*	*Total budget*	*Cumulative expenditure*	*Expenditure 2001*
Macro-economic and Development Policies						
INT/89/A15	Studies for the G24	1990-	Multidonors	577 028	546 979	50 975
INT/91/A21	Studies on international monetary and financial issues for G-24	1991-	Netherlands	276 861	254 339	2 651
INT/93/A30 [a]	Technical support to the G-24	1993-2001	Denmark	161 638	141 845	-2 378
INT/0T/OAL	G-24 Technical Support Service, Phase IV (IDRC)	2001-	Canada	174 000	112 134	33 581
RAF/97/A28	International Conference on economic development and regional dynamics in Africa: Lessons from the East Asian experience	1997-	Japan	346 760	305 864	73 407
	Total Macro-economic and Development Policies			***1 536 287***	***1 361 161***	***158 236***
DMFAS Programme						
ALB/97/010	Strengthening the debt management capacity of the Government	1998-2002	UNDP	257 500	194 354	-2 303
ANG/99/A55	Implementation of DMFAS 5.2	1999-2002	Angola	319 790	298 298	59 514
ARG/00/002	Fortalecimiento de la capacidad de gestión de la deuda pública	2001-2002	UNDP	185 000	51 728	51 728
ARG/93/045	DMFAS	1993-2001	UNDP	1 369 616	1 370 178	562
BDI/0T//0AN	Renforcement des capacités de gestion de la dette	2000-	Burundi	68 000	17 050	17 050
BGD/0T/0AE	Elaboration of a Debt Management Project for the Finance Ministry	2001-2002	Norway	26 461	20 809	-615
BGD/0T/0BP	Capacity building for management of foreign aid in Bangladesh	2001-2004	Norway	206 112	45 551	45 551
BOL/0T/0AK	Integración de la gestión de la deuda en Bolivia	2000-2002	Bolivia	217 232	103 487	62 746
BYE/94/002	Strengthening the external debt management capacity	1995-2001	UNDP	77 100	77 096	-7 000
CHD/0T/0AB	Renforcement des capacités de gestion de la dette	2000-2002	Chad	99 700	37 461	37 461
COL/01/014	Implantación del Sistema de Gestión de la Deuda (SIGADE)	2001-2002	UNDP	562 270	44 499	44 499
COS/97/A19	Installation of DMFAS 5.0	1997-2002	Costa Rica	68 025	56 127	4 809
ECU/98/A45	Control y administración de la deuda pública	1998-	Ecuador	75 720	73 319	-146
EGY/99/A25	DMFAS installation in the Central Bank of Egypt	1999-2002	Egypt	43 500	30 894	16 315
ELS/98/A41	Control y administración del endeudamiento público	1998-	El Salvador	135 374	112 228	11 365
GAB/0T/1AZ	Renforcement des capacités de gestion de la dette	2001-2002	Gabon	265 000	37 125	37 125
GEO/98/008	Strengthening the external debt management capacity	1998-2002	UNDP	181 057	159 183	65 538
GUA/98/017	Sistema integrado de la administración financiera	1999-2002	UNDP	229 200	198 982	80 947
INS/98/A38	Implementation of DMFAS 5.1	2000-2002	Australia	239 210	162 708	50 270
MAG/97/007	Debt Management Services to the Republic of Madagascar	2001-	UNDP/OPS	170 413	79 120	79 120
MOL/98/005	International financial markets and debt management	1998-2001	UNDP	60 800	57 826	13 483
MON/0T/1BI	Supply, installation and support of a Debt Recording System (DRMIS)	2001-2005	Mongolia	434 937	106 051	106 051
PAL/0T/0AH	Capacity building in debt and financial management	2000-2001	Norway	262 618	50 312	-9 928
PAN/95/028	Control y administración del endeudamiento público	1995-2001	UNDP	434 000	434 022	4 777
PAR/95/003	Control y administración del endeudamiento público	1995-	UNDP	247 727	166 503	-1 126
ROM/94/A46	Registration and control of external debt	1994-	Japan, World Bank	382 262	344 691	-5 094

(for note see end of table)

A. DIVISION ON GLOBALIZATION AND DEVELOPMENT STRATEGIES (concluded)

(In dollars)

Project number	*Short title*	*Duration*	*Source of fund*	*Total budget*	*Cumulative expenditure*	*Expenditure 2001*
ROM/98/006	External Resources and Debt Management	1998-2001	UNDP	72 500	72 464	-36
RWA/98/021	Renforcement des capacités du gouvernement en gestion de la dette	1999-2002	UNDP	154 200	150 558	17 969
SUD/96/A02	Institutional strengthening project of the Ministry of Finance	1998-	Sudan	80 777	73 872	8 785
SYR/00/002	Improvement of debt management in Syria	2000-	UNDP	289 137	11 825	9 610
TOG/98/005	Renforcement des capacités de gestion de la dette publique	1999-2002	UNDP	150 000	79 304	34 609
TUK/00/003	Assistance to the Central Bank of Turkmenistan	2001-	UNDP	101 500	28 619	28 619
VEN/99/A70	Gestión de la deuda en Venezuela	2000-2001	Venezuela	89 262	75 275	17 060
VIE/98/007	Capacity development for effective and sustainable external debt management	1998-2001	UNDP	3 042	2 454	2 454
YUG/01/010	Debt Management and Financial Analysis System (DMFAS)	2001-	UNDP	2 800	1 922	1 922
ZAM/99/A41	Implementation of DMFAS 5.1	1999-	Zambia	34 728	28 558	-697
ZIM/99/A44	Implementation of DMFAS 5.1	1999-2002	Zimbabwe	34 495	25 763	-2 254
INT/91/A18	Support for the conversion of official bilateral debt	1991-	Italy	399 372	345 631	6 515
INT/95/A11	Strengthening the debt management capacity of developing countries	1995-	Switzerland	2 964 327	2 476 424	156 987
INT/95/A66	Strengthening the debt management capacity of developing countries	1995-	Netherlands	2 322 800	1 896 536	195 589
INT/95/A85	Strengthening the debt management capacity of developing countries	1995-	Sweden	559 450	530 384	-1 962
INT/95/A89	Strengthening the debt management capacity of developing countries	1995-	Norway	2 186 109	1 242 197	428 968
INT/99/A30	Strengthening the debt management capacity of developing countries	1999-	Sweden	623 794	342 138	93 848
INT/99/A32	Strengthening the debt management capacity of developing countries	1999-2002	Ireland	65 730	55 184	2 813
INT/99/A53	Strengthening the debt management capacity of developing countries	2000-2002	Finland	343 672	305 475	46 304
	Total DMFAS Programme			***17 096 319***	***12 074 185***	***1 809 802***
Special Programmes						
PAL/96/036	Development of an industrial estate in Nablus: project feasibility, implementing strategy and environmental impact	1996-	UNDP	230 000	225 889	-4 111
INT/94/A37 [a]	Collection and dissemination of iron ore statistics	1994-	Multidonors	575 352	505 474	63 669
	Total Special Programmes			***805 352***	***731 363***	***59 558***
	DIVISION TOTAL			**19 437 958**	**14 166 709**	**2 027 596**

[a] Project which has been "operationally but not financially completed" or "completed" in 2001.

B. Division on International Trade in Goods and Services, and Commodities

1. Trade analysis

(a) Agricultural Trade Policy Simulation

44. ***Development context:*** As mandated at the end of the Uruguay Round, the Agreement on Agriculture is currently being renegotiated. Given the modest effects of the Agreement on trade liberalization, and in particular on market access for developing countries' exports, developing countries have a strong interest in participating in the negotiation process and in understanding the likely impact of negotiation proposals on their economies. The Agriculture Trade Policy Simulation Measures (ATPSM) provide them with an effective tool for analysing the economic effects of trade policy proposals forthcoming in the WTO negotiation process on reducing agricultural protection.

45. ***Objective:*** The ATPSM project is specifically intended to help developing countries to negotiate effectively in future multilateral negotiations on agriculture. For effective participation, it is vital that negotiating positions be based on sound quantitative analysis.

46. ***Features:*** The project is designed to update and revise the ATPSM for analysing policy options in future multilateral negotiations on agriculture. This includes: (a) providing structural improvements to the model; (b) updating the model to reflect latest policies; (c) broadening the scope of the model to bring some developing countries in as "policy countries"; (d) analysing the sensitivity of the model results to the base period chosen, from which further reduction commitments are negotiated; (e) assisting the communication of modellers in international organizations, academia and elsewhere; (f) improving access to the use of the model for developing countries; and (g) facilitating the communication and dissemination of the results.

47. ***Output/results:*** In 2001 the following activities were undertaken: (a) further analytical and database improvements of the ATPSM; (b) redevelopment of the ATPSM software in C++, and dissemination of the beta version of ATSPM to agricultural trade policy specialists.

(i) Further ATPSM developments

48. During the project period under consideration, the beta version of ATPSM was refined and a robust and stable model has been released to agricultural trade policy specialists for testing. The refinements made to the model are be summarized below.

49. Adjustment to model structure:

- The price determination equations were modified to better model two-way trade and homogeneous goods;
- To improve the behaviour of the model, it was assumed that out-of-quota tariffs are always binding. This required a modification of the supply response function to eliminate supply changes to within-quota rent changes;
- Welfare equations were modified to allow individual representation of welfare changes to consumers, producers and government;
- Adjustment was made to reflect the desire to model changes to applied rates or bound rates as the user desires.

50. Database improvements:

- Intra-EU trade was eliminated from the database;
- Chinese bound tariff rates were added to the database.

(ii) Redevelopment of the ATPSM in C++

51. Given the changes to the model structure over the course of the project period under consideration, the work programme for converting ATPSM to a C++ format was revised.

52. The final product is expected to greatly improve the ATPSM with respect to its performance, interface and output, and thus be significantly more user-friendly.

(b) Trade Analysis and Information System (TRAINS)

TRAINS CD-ROM

53. ***Development context:*** Following a decision by the Trade and Development Board calling on the UNCTAD secretariat to provide, on request, information from its Database on Trade Control Measures under its own responsibility (decision 354, taken at the thirty-fourth session of the Board), UNCTAD developed the Trade Analysis and Information System (TRAINS) and its corresponding dissemination tool, the TRAINS CD-ROM.

54. ***Objectives:*** TRAINS is an information system intended to increase transparency in international trading conditions. It is intended more specifically to provide a comprehensive information system for use by policy makers and economic operators engaged in exporting. It is also a powerful tool that can be used in trade negotiations (e.g. to monitor an integration process) and for general research on international trade. One component of the system relates to the Generalized System of Preferences (GSP) in that it includes information on tariffs, preferential margins, rules of origin and other regulations affecting the export interests of developing countries vis-à-vis the preference-giving countries.

55. ***Features:*** The TRAINS CD-ROM (to be issued in 2002) can be compared to a specialized library containing books on trade-related topics. It currently contains:

- 133 volumes of tariff schedules, 86 of which are for 2001;
- 47 volumes with para-tariff measures;
- 90 publications on non-tariff measures, produced by UNCTAD;
- 102 volumes on detailed import statistics by origin, many of which are for the year.

56. The new software accompanying the information on the CD-ROM is jointly developed by UNCTAD and the World Bank, and is more analyst-friendly software than its predecessor. In addition to all the functionalities of the last version, it integrates into it the SMART module (System for Market Analysis and Restrictions on Trade), which allows users to simulate a tariff reduction scenario and analyse its impact on export, revenue and welfare. A subsystem (TRAINS for the Americas) has been developed in collaboration with the Inter-American Development Bank for extension of the database with information on bilateral preferential trade agreements, as well as extended coverage of the non-tariff measures.

57. For dissemination purposes, UNCTAD has invited member States and subregional institutions to designate TRAINS focal points which, in addition to being supplied with updated information on trade control measures, serve as a channel through which UNCTAD obtains recent information on countries or

regions, particularly computerized information on tariffs and trade, as well as documentation on para-tariff and non-tariff measures. Among the regional secretariats actively collaborating with UNCTAD are those of the Latin American Integration Association (ALADI), the South Asian Association for Regional Cooperation (SAARC), the Permanent secretariat of the General Treaty on Central American Economic Integration (SIECA), the Central African Economic and Monetary Community (CEMAC) and the South African Development Committee (SADC) Industry and Trade Coordination Division (SITCD). The TRAINS CD-ROM is available to other parties that make a minimum contribution to the UNCTAD trust fund created for this purpose.

58. ***Output/results/impact:*** The widespread use of the UNCTAD database, particularly in the publications of such organizations as the Organisation for Economic Co-operation and Development (OECD), the World Bank and the IMF, as well as UNCTAD itself, attests to the recognition of its usefulness. That a number of universities and private organizations have made voluntary contributions to the TRAINS trust fund is a good indication of the value of the system. Requests for the TRAINS CD-ROM have come from government ministries and international organizations engaged in trade negotiations under the Asia-Pacific Economic Cooperation Forum (APEC) and the Free Trade Area of the Americas (FTAA).

2. Trade negotiations and commercial diplomacy

(a) Development of trade capacities

(i) Impact of the Uruguay Round and its follow-up on selected African countries

59. ***Development context:*** While African countries are highly dependent on foreign trade, export-led growth remains seriously constrained by weak production structures and their heavy reliance on a narrow range of primary exports. The policy choices and opportunities for trade expansion and integration into the global economy are being affected by the Uruguay Round results.

60. ***Objectives:*** To assist African countries (Chad, Mali, Niger, Togo) in acquiring a better understanding of the impact of the Uruguay Round results on their economies, and to facilitate appropriate policy responses to the new obligations and to taking advantage of the new opportunities.

61. ***Outputs:*** Impact studies and national debate on the implications of the multilateral trading system were concluded in mid-2000. In 2001, at the request of the beneficiary countries, the focus was on their preparations for the Fourth WTO Ministerial Conference in Doha (Qatar). In collaboration with the Ministries of Commerce in the beneficiary countries, national workshops were organized which some 30-40 participants from government, the private sector and academia attended and at which they debated on the interests of their respective countries against the background of the evolving preparations for the Doha conference and the progress of the built-in agenda negotiations on agriculture and services. In some countries, round tables with economic operators were convened to discuss and assess the implications and opportunities for them arising from the multilateral trading system.

62. ***Results:*** The Governments of the beneficiary countries were assisted in defining their national interests in the multilateral trading system pre-Doha, and this contributed to a more active participation by countries in the OAU Trade Ministers Meeting that met in Abuja (September 2001) to adopt Africa's common position towards the Doha Ministerial Conference. A participatory approach to national dialogue on the WTO was initiated, including with the private sector.

(ii) Joint ITC/UNCTAD/WTO Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries (JITAP)

63. ***Development context:*** JITAP is the integrated response of ITC, UNCTAD and WTO, in collaboration with interested international donors, to assist in the effective integration of beneficiary African countries into the international trading system. It aims at building human, institutional, policy and export strategy capacities in African countries to better understand and manage their integration into the multilateral

trading system. The present beneficiaries are Benin, Burkina Faso, Uganda and United Republic of Tanzania (LDCs); and Côte d'Ivoire, Ghana, Kenya and Tunisia.

64. ***Objectives:*** Implementation of a series of interconnected activities to build national institutional and human resources capacity to understand the WTO Agreements and their development implications for each beneficiary country; enhance preparations for effective participation in regional and multilateral trade negotiations; adapt the policy and regulatory framework to the WTO Agreements; and enhance the country's capacity to take advantage of the WTO Agreements through improved export readiness.

65. ***Outputs:*** In 2001, the joint implementation by ITC, UNCTAD and WTO of a series of interconnected activities continued in all areas of JITAP intervention, including programme management, assistance to customs, support in the adjustment of national legislation to WTO rules, building of the reference centres on multilateral trade issues, trade point activities, trade secrets handbook, trade financing and quality management.[1] However, focused attention was directed to four priority areas following recommendations made by a Mid-Term Evaluation of JITAP, conducted by external auditors in the autumn of 2000. These four priority areas are: (a) human resource development, (b) development of export sector strategies, (c) revitalization of inter-institutional committees on WTO, and (d) operationalization of the Internet-based communication and discussion forum.

66. UNCTAD had the lead responsibility for priority (c), coordinating the implementation of activities in this area with the full participation of ITC and WTO. The revival of the national Inter-Institutional Committees (IICs) on WTO and their affiliated bodies continued apace with encouraging results. Country studies on key trade issues arising out of WTO and the operations of the IICs were concluded for all JITAP countries at the beginning of the year. National retreats were then conducted in each country between April and June, using the country studies, and resulted in increasing understanding of the constitution and purposes of the IICs, their profiles in government machinery, and the elaboration of work programmes encompassing national consultation and monitoring of the implementation of WTO obligations and preparing for trade negotiations. These were followed by two high-level subregional workshops in August that contributed to raising awareness among key players in the trade policy community of critical external trade priorities and the role of the IICs in addressing these priorities. In view of the Fourth WTO Ministerial Conference, and the initiation of the built-in agenda negotiations on agriculture and services, a special effort was made in the studies, the national retreats and the subregional workshops to highlight the contribution of the IICs to the preparation by countries for the Conference in general and for the agriculture and services negotiations in particular. As a result, country position papers on the Doha Ministerial Conference were prepared by the IICs for their respective Governments, and formed the basis for these countries' participation in the 4th Meeting of the OAU/AEC Ministers of Trade Meeting (Abuja, September), in the 4th ACP Trade Ministers Meeting (Brussels, November) and eventually in the Doha Ministerial Conference. In between these preparatory events, the Inter-Institutional Committees and their sub-committees met frequently to monitor and address the implementation of WTO Agreements, WTO notifications and country priorities in the multilateral trade negotiations, and build awareness at the political level with members of Parliament. Contacts and linkages between the IICs and the country negotiators in Geneva are being encouraged by way of facilitating the participation of the latter in some IIC meetings and via videoconferences (see below). Consequently, the Committees are gradually being established as a cornerstone of the national consultative process on multilateral trade issues and multilateral trade negotiations.

67. UNCTAD participated in the implementation of activities in the other three priority areas and other ongoing activities, coordinated by ITC or WTO. Briefly, the activities and the results obtained are as follows:

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[1] These activities affect all countries except Tunisia, where the programme was completed in 1999.

- In respect of *human resource development and improvement of knowledge* about the multilateral trading system, standard packages of resource and reference materials (used in the 18 technical workshops on MTS organized under JITAP) were prepared and dispatched to the JITAP network of MTS trainers in November/December. In addition, two multi-point videoconferences (each in English and French) were organized in April and July respectively on the negotiations under the WTO Agreement on Agriculture and links to the SPS Agreement, and the negotiations under the GATS. Two further videoconferences were organized in October and December to respectively brief and debrief countries on the Fourth WTO Ministerial Conference in Doha. These videoconferences proved very beneficial for the countries, as the occasion provided an opportunity for them to consolidate their understanding of the negotiations particularly via live discussions with the experts from the Geneva agencies, the country negotiators at the permanent missions in Geneva, and via an exchange of the different countries' perspectives. At the national level, the networks of trainers on MTS issues have been constituted into formal associations in Côte d'Ivoire ("Commerce sur l'Avenir") and Kenya (Institute of Multilateral Trading System, Analysis and Research). Other countries are considering the establishment of similar associations. In most countries the networks of trainers are carrying out in-country training programmes in close collaboration with members of the Inter-Institutional Committees.

- The development of *export sector strategies* began slowly with fieldwork initiated in Benin, Burkina Faso, Ghana, Kenya, Uganda and the United Republic of Tanzania. A "coaching" approach was adopted, with officials and private sector enterprises taking a proactive role, so as to ensure that the strategies developed are realistic, and are adopted and implemented in the countries. The field structure put in place for carrying out the required work comprises Sector Counterpart Teams that function under the guidance of the Sector Strategy Stakeholders Group. Detailed processes were suggested, and adopted at each level to develop nationally owned strategies. International consultants started their coaching work in Ghana, Uganda and the United Republic of Tanzania, while such work has yet to begin in Benin, Burkina Faso, Côte d'Ivoire and Kenya.

- The *Communication and Discussion Facility (CDF)* was made fully operational during the period under review. This Internet-based facility allows for cost-effective communication ranging from on-line discussions and implementation updates, to retrieval of relevant documentation. The CDF also makes available programme-related information to the general public. It is accessible at *http://www.jitap.org/cdf.* It was successfully used to disseminate and share documents on forthcoming events within the programme, such as the subregional high-level meetings of the IICs, the subregional management meeting and the multi-point videoconferences. It has over 100 registered users.

68. ***Results:*** Noticeably effective participation in the Fourth WTO Ministerial Conference by JITAP countries. Institutional capacities for policy making, trade negotiations, export development and dissemination of information were reactivated and strengthened. Understanding of WTO Agreements and negotiations has improved substantially in the countries among the trade policy community, and there has been an expansion of the cadre of trainers and expertise. Joint coordination and implementation by ITC, UNCTAD and WTO have increased synergies and sustainable networking between them and with the JITAP countries, and have ensured efficient use of resources through economies of scale in management and programme implementation.

(iii) Technical assistance to countries acceding to WTO

69. In 2001, the UNCTAD secretariat pursued the implementation of its intergovernmental mandate agreed at UNCTAD IX, aimed at assisting countries in the process of accession to the WTO as part of their integration into the world economy and international trading system. At UNCTAD X in Bangkok, UNCTAD's intergovernmental mandate on WTO accessions was reconfirmed and expanded, and UNCTAD's assistance to acceding countries has greatly intensified.

70. In providing technical assistance to the WTO acceding countries, UNCTAD maintained close contact and developed further cooperation with the WTO secretariat. The latter, in its technical note on the accession process, acknowledged that "cooperation with UNCTAD in the provision and tailoring of technical assistance has been particularly close and complementary".[2]

71. ***Objectives:*** UNCTAD's technical cooperation with the Governments of acceding countries has the following general objectives:

(a) To assist national officials in elaborating optimal policy approaches in the WTO accession process, particularly in making an inventory of relevant problems to be solved both of an internal and of an external nature, including those related to the adaptation of existing and new trade-related legislation to the WTO rules and disciplines;

(b) Training of national officials to strengthen their knowledge of multilateral trade negotiation techniques and tactics in order to improve their negotiating capacity;

(c) To provide advice in trade policy formulation, particularly relating to the WTO accession negotiations;

(d) To strengthen the capacities of trade-supporting national institutional structures (including the private sector and the academic community) through training and joint analysis of the relevant problem areas.

72. ***Features:*** Technical assistance is delivered by UNCTAD through:

(a) Undertaking advisory missions and working directly with the national negotiating team;

(b) Assistance in preparing documentation required by the WTO accession negotiations;

(c) Preparation of analytical papers and briefings for national policy-makers;

(d) Training of national trade negotiators on specific issues under the accession process;

(e) Organization of brainstorming meetings and seminars;

(f) Diffusion of trade policy information to sensitize civil society and the private sector in acceding countries about the challenges and benefits of WTO membership.

73. ***Output/results/impact:*** In 2001, the outputs and results described below were achieved in the implementation of the main projects, depending on the specific situation of individual acceding countries.

74. Assistance to Algeria, Azerbaijan, Belarus, Bhutan, Cambodia, Kazakhstan, the Lao People's Democratic Republic, Lebanon, Nepal, the Russian Federation, Samoa, Sudan, The Former Yugoslav Republic of Macedonia, Viet Nam, Yemen and Yugoslavia. Activities focused on: (a) supporting the preparations of national negotiating teams for the meetings of the WTO Working Parties on Accessions, including definition of negotiating strategy and tactics, preparation of the Memorandum on the Foreign Trade Regime and written questions from WTO members; (b) assisting Governments in the preparation of offers on market access in goods and services and commitments on agricultural support measures sectors; (c) preparing reports and background papers on policies of acceding countries' trading partners members of the WTO with regard to accession and scenarios of accession negotiations; (d) providing expertise and advice on strengthening capacity building in the area of trade policy; and (e) training of trade officials in

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[2] See WTO document WT/ACC/10, Technical Note on the Accession Process, 21 December 2001.

specific trade policy issues. The impact of the technical assistance provided resulted in more effective participation by these countries' negotiating teams in the WTO accession negotiations through improved understanding of the WTO rules and disciplines and their implications for national policy options.

75. ***Results:***

(a) Eight national consultants were recruited to support Governments in the preparatory work as part of the WTO accession negotiations.

(b) Ten seminars and workshops on WTO accession were conducted in 2001 in acceding countries – six in least developed countries, two in developing countries and two in countries with transition economies. About 950 officials, business representatives and academics took part in these events. The seminars and workshops were demand-driven and often depended on the timing of the meetings of the relevant WTO working groups on accession. In line with the evolution of needs and the level of knowledge achieved in the acceding countries, the activities were, whenever possible, moving away from simple lecturing and taking more often the form of brainstorming meetings and simulation of negotiations. Eleven UNCTAD advisory missions were undertaken, most of which were to least developed countries.

(c) Eleven trade negotiators from acceding countries, including six from LDCs, were trained by UNCTAD secretariat members on specific issues in the WTO accession negotiations (customs tariffs, services sectors, agriculture and several WTO rule-making agreements).

(d) Six international consultants were recruited to undertake sectoral analyses and provide policy advice for a number of WTO-acceding Governments in such areas as agricultural subsidies, services sectors and legislation on services, sanitary and phytosanitary measures. A revised CD-ROM with reference material and analysis for policy makers from WTO-acceding countries was prepared.

(e) An ad hoc expert group meeting with the Secretary-General of UNCTAD on issues and problems arising from the integration of countries into the multilateral trading system was held in April 2001. More than 30 participants (ambassadors, present and former trade negotiators, academics, WTO and UNCTAD staff) focused on the countries that were in the process of accession to the WTO. On the basis of the meeting's discussions and UNCTAD's experience in providing technical assistance to the acceding countries, an UNCTAD publication entitled "WTO Accessions and Development Policies" was prepared and is expected to be released in 2002.

(iv) Support to developing countries on multilateral trade negotiations

76. ***Development context:*** During the Uruguay Round of Multilateral Trade Negotiations, developing countries felt at a disadvantage in that they did not have an agenda of their own, but were merely reacting to the proposals of their trading partners. Having recognized this weakness, they approached UNCTAD to assist them in the preparatory work relevant to the formulation of their negotiation objectives for future trade negotiations, based on their specific trade and development interests, and taking into account ongoing work in WTO, including negotiations.

77. ***Objectives:*** To assist developing countries in assessing and identifying their strategic trade and development interests within trade negotiation issues in the multilateral forums, in particular in the context of the WTO, as well as at the subregional and interregional levels.

78. ***Outputs:*** *Support to sub-Saharan Africa.* In collaboration with the UNDP Regional Bureau for Africa/UNOPS, UNCTAD carried out a number of activities aimed at supporting African countries in their effective participation in promoting their interests at the Fourth WTO Ministerial Conference. These included the following: (a) briefings for the African Group to the WTO on development implications

related to the mandated negotiations on agriculture and services, implementation issues and the evolving issues on the Doha Conference; (b) preparation of several technical and conceptual papers on development priorities of African countries and developments in the multilateral trading system; (c) support for the OAU/AEC and UN-ECA in the organization of a High-Level Brainstorming Meeting for African Trade Negotiators Preparatory to the Fourth WTO Ministerial Conference (June, Addis Ababa), which identified a set of common priorities of African countries in respect of the mandated negotiations on services and agriculture, and the evolving agenda of the ministerial conference; and (d) assistance with several national and regional dissemination and consultation meetings on the Doha Ministerial Conference, including the COMESA/SADC Preparatory Meeting for the Fourth WTO Ministerial Conference, (Cairo, July), the 4th OAU/AEC Conference of Ministers of Trade (Abuja, September) and the Fourth Meeting of ACP Trade Ministers on the Doha WTO Ministerial Conference (Brussels, November).

79. ***Results:*** Contribution to enhanced understanding and preparations by African trade negotiators in capitals and Geneva for the Fourth WTO Ministerial Conference. Enhancing links between Geneva- and Brussels-based trade negotiators to encourage coherence in the approach to trade negotiations. Development of understanding of Africa's specific trade and development interests in multilateral trade negotiations.

(v) ***FRANCODE Project***

80. ***Objectives:*** The FRANCODE Programme involves capacity building in international trade. It focuses on the training of trainers and the development of a network of francophone training centres involved in the implementation of this programme.

81. The long-term objective of the programme is to strengthen the negotiating capacities of developing countries and countries in transition, with a view to enabling them to participate more effectively in multilateral trading negotiations.

82. Component I of the project (training in the area of multilateral trade negotiations) is executed jointly by UNCTAD and WTO in cooperation with the following national institutions: INDE (Bucharest, Romania); ISCAE (Casablanca, Morocco); Institut Francophone pour le développement de l'Entrepreneuriat (Réduit, Mauritius) and the Université Senghor (Alexandria, Egypt).

83. ***Output/results:*** One workshop took place in Alexandria, Egypt, in January 2001. The participating countries were Burundi, Cameroon, the Central African Republic, Chad, Congo, Egypt, Gabon and Lebanon.

84. On the occasion of the three workshops held in the year 2000 a number of candidates were selected in cooperation with government authorities. The selected candidates were subsequently trained at a workshop on the training of trainers that took place in Alexandria (mentioned above).

85. From February 2001, designated trainers, having received the requisite training, will organize seminars and workshops at the country and regional level and will also be responsible for logistics and substantive support of the local training institutions. WTO and UNCTAD are associated in the organization of these events.

86. The selected regional training institutions have been fully associated in the regional seminars and in the training of trainers. They have been provided with documentation from WTO and UNCTAD on MTN and expected to guide future work of trainers.

(vi) Trade in services – CAPAS

87. ***Development context***: The project aims at strengthening the negotiating capacity of the African GATS negotiators in Geneva and in national capitals, and at assisting African countries in formulating approaches for trade liberalization in services at the multilateral and subregional levels. It also aims at helping in identifying the crucial issues in the GATS negotiations in the light of the desire of African countries to promote production, trade and investment in the services sector.

88. ***Objective***: The objective of CAPAS IV is to assist African countries in formulating approaches for subregional trade liberalization in services and strengthening their negotiating capacities in the GATS negotiations. This phase of the programme also aims at ensuring that the experience built up during the earlier phases of CAPAS is at the service of the trade negotiators for the negotiations on services.

89. ***Features***: During the earlier phases of CAPAS, emphasis was on developing research capacities for issues relating to trade in services and on linking those capacities to national policy-making by encouraging a dialogue among national decision-makers and researchers. National studies on the strengths and weaknesses of strategic service sectors were carried out by national research teams and inter-institutional working groups as part of policy-making and capacity building efforts in the field of services. This approach can be described as a "positive agenda" approach to negotiations on trade in services. Under CAPAS, the project will focus on providing analytical instruments and training workshops aimed at allowing negotiators and trainers from African countries to acquire the knowledge, expertise and relevant experience related to the analysis of and negotiations on trade in services. Meetings of working groups for Geneva-based African delegates on substantive issues in the ongoing negotiations will also be held periodically to assist them in the formulation of negotiating positions.

90. ***Output/results***: CAPAS IV was launched during the last subregional workshop for SADC countries, held in Maseru, under phase III of CAPAS. The first activity – a workshop – to inaugurate this phase of CAPAS was held at the end of 2000, with the support of UNDP. It brought together senior African officials and subregional secretaries, Geneva-based delegates and the CAPAS researchers to address issues of interest for African countries in the current GATS negotiations.

91. To expedite the work on services at the multilateral level, an analysis of the proposals submitted to the WTO Council on Trade in Services was made. It included horizontal issues and specific services sectors of interest to African countries in the ongoing negotiations. This work was disseminated to the African group in Geneva through ad hoc meetings and regionally during workshops held in the region.

92. Under the auspices of the JITAP programme, three workshops were held in the three East African countries, Kenya (September 2001), Uganda (December 2001) and the United Republic of Tanzania (December 2001). These workshops were instrumental in underscoring the importance of all the stakeholders from the private sector, academia and the policy makers dealing with issues related to specific services sectors of interest to the country. The Kenyan Government officials used the workshop to develop a proposal for the GATS negotiations, which was the first proposal by an African country.

93. As agreed by SADC member States, and endorsed by the SADC Ministers of Trade and Industry, CAPAS IV is supporting the SADC negotiations on trade in services both regionally and multilaterally. In this regard, UNCTAD has developed templates on trade in services in the horizontal and in the six priority sectors for SADC negotiations. These templates are also to be utilised by member States to conduct national workshops to assess trade in services with their stakeholders and identify policy objectives for both the regional and multilateral negotiations.

94. At the request of a number of SADC member States, three national workshops were held. The first was held in Mauritius in May 2001, the second in Gaborone, Botswana, in November 2001 and the third in Capetown, South Africa, in November 2001. They brought together stakeholders from the private

sector, academia and policy makers to brainstorm on issues related to specific services sectors of interest to the country.

(b) Preferential arrangements

(i) Market access, trade laws and preferences

95. ***Development context:*** During the period 2000/2001 several initiatives materialized in the context of the Generalized System of Preferences (GSP) and other trade laws programme to provide better market access to products from developing countries, in particular the LDCs, as well as sub-Saharan African countries. In May 2000, the United States authorized the African Growth and Opportunity Act (AGOA), whereby the basic United States GSP scheme was amended in favour of designated sub-Saharan African countries to cover a larger range of products, including selected articles subject to special provisions, rules of origin and customs requirements. In September 2000, the Canadian Government enlarged the product coverage of its GSP scheme to allow 570 products originating in LDCs to enter its market duty-free. In March 2001, the European Commission announced the Everything But Arms (EBA) initiative granting unrestricted duty-free access to all LDCs' products, excluding arms (with a transitional period for bananas, rice and sugar). Following a review of the GSP scheme of Japan, as of 1 April 2001, an additional list of industrial products originating in LDC beneficiaries were also granted duty-/quota-free entry.

96. Furthermore, further developments are taking place in reciprocal trade arrangements such as in the context of South-South and North-South regional trade arrangements (including ASEAN, COMESA and SADC, as well as the forthcoming EU/ACP partnership agreements in the post-Lomé framework).

97. Although welcome, all these initiatives might not yield the desired results as experience has demonstrated that the mere granting of tariff preferences or duty-free market access to exports originating in developing countries does not automatically ensure that the trade preferences are effectively utilized by beneficiary countries. To accompany and support these ongoing developments, there is a need to increase utilization of preferences by beneficiary countries granted either through multilateral (GSP) or bilateral/regional arrangements (i.e. Cotonou, SADC, COMESA). There is also a need to enable developing country exporters and officials to negotiate on a more equal footing with their developed country counterparts and among themselves through enhanced knowledge of the laws, administrative and customs procedures relating to products of export interest to them, and thereby to overcome insufficient familiarity with, or misunderstanding of, the operation of such laws and regulations.

98. ***Objectives:*** The Project aims at assisting developing countries to:

- Increase utilization of the trading opportunities and preferences under existing preferential arrangements, such as the GSP, the Cotonou trade regime and other bilateral arrangements, through increased understanding and familiarization of government officials and the business community;

- Increase the understanding in developing countries of the trade laws and regulations governing market access conditions in the international trading system, so as to enable developing country officials and exporters to improve their capacity to respond to the challenges and opportunities arising from trade negotiations at bilateral, regional and multilateral levels, and trade disputes, and in utilizing preferential trade arrangements;

99. ***Outputs of the GSP Programme:*** In 2001, advisory missions on GSP and other trade laws were carried out in Cambodia, Cuba, Samoa, Maldives, Mozambique, Paraguay, Samoa, Thailand and Viet Nam. Technical cooperation activities were mainly directed at providing exporters and government officials with the expertise necessary to resolve difficulties encountered in GSP utilization, with special attention to the technicalities related to the applicable rules-of-origin requirements. In the same year the following publications were prepared and/or initiated:

- Improving Market Access for LDCs, UNCTAD, May 2001;
- Handbook for LDC exporters (currently being edited);
- Handbook of the GSP schemes of Hungary (October 2001), Czech Republic (October 2001), Canada (December 2001), Japan (currently being edited) and the EC (to be sent for editing);
- List of GSP beneficiaries (June 2001); and
- GSP Newsletter (February 2001).

100. ***Results:*** A possible benchmark to be utilized in assessing the effectiveness of the programme is an increased utilization of trade preferences and a better understanding on the part of government officials of the implications and operational rules governing rules of origin and other trade laws such as anti-dumping, countervailing duties and other contingency protection measures. However, utilization of trade preferences is also largely guided by the supply capacity of the beneficiary countries and, as such, could not be used as a valid benchmark in isolation. Judging from the number of continuing requests and hits to the GSP website, the programme has been successful in providing information on GSP schemes.

(ii) Support to regional integration

a) Assistance to SADC

101. ***Development context***: UNCTAD has been assisting the negotiations on the establishment of a free trade area in the SADC region since 1997 on the basis of comparable experiences of other regional groupings. Such assistance was specifically requested by SADC Trade Ministers, and it has been delivered through the direct participation of UNCTAD experts in the negotiating process (together with the SADC secretariat) and through preparation of papers and other analytical work on, among other areas, rules of origin, dismantling of tariffs and offers evaluation, and trade in services. On rules of origin the expertise of UNCTAD has contributed to explaining the implications of the different rules-of-origin systems. Technical assistance to SADC was extended to WTO issues to facilitate a common SADC position for the Seattle and Doha WTO Ministerial Conferences. UNCTAD participated in, and provided background papers for, the SADC Ministerial Meeting in preparation for those two events.

102. Following a decision by SADC Ministers, during 2001 UNCTAD technical assistance to SADC began concentrating mainly on trade in services to help the region to liberalize trade in services at subregional level and to participate in the WTO negotiations. However, the UNCTAD secretariat has also continued to provide policy advice to SADC in the context of the implementation of the SADC Protocol on Trade (in goods), participating in each of the meetings of the Trade Negotiating Forum (TNF), the High Committee on Market Access and Rules of Origin (MARO) and two round tables, and contributing to the substantive preparation of and follow-up to the meetings, in collaboration with the SADC secretariat based in Gaborone.

103. ***Objectives:*** To increase regionalization efforts and foster intraregional trade by supporting and enabling government officials to conduct negotiations in the area of goods and services at regional, subregional and multilateral levels, carefully assessing the impact of rules-of-origin regulations on trade among the partner countries of the region.

104. ***Features:*** Technical assistance to SADC is delivered by UNCTAD through:

- Participation and provision of substantive support to the SADC secretariat in addressing technical issues during the negotiations;
- Preparation of relevant papers to facilitate consensus-building and dialogue among member States on the outstanding issues;

- Establishment and maintenance of working relations and exchange of information with and among SADC delegations (Geneva-based versus capital-based);
- Providing the SADC secretariat with assistance in the management of the meetings.

105. ***Output/results:*** The following studies and ad hoc lectures were prepared/updated during the negotiations to facilitate discussions on outstanding issues:

- "The consolidated negotiating text on rules of origin";
- "An analysis on the change of tariffs heading for metals";
- "Proposed methodology for product-specific rules of origin negotiations";
- "Continued evaluation and 'cleaning' of the SADC tariff offers to assess their compliance with the parameters set by SADC Trade Ministers and make them compatible to each other";
- "Presentations on SADC and ACP/EU future trade negotiations in the post-Lomé framework".

106. In addition to participating in nine SADC-related meetings in 2001, UNCTAD, at the specific request of the COMESA secretariat, provided technical advice, and made available documentation on WTO negotiations relating to agriculture, services and implementation issues. Also, three UNCTAD officials participated as resource persons in the COMESA/SADC Preparatory Meeting for the Fourth WTO Ministerial Conference, held in Cairo in July 2001.

(b) Expansion of technical assistance to other regional integration initiatives

107. The programme has undertaken steps to extend the experience gained in the SADC context to other regional integration initiatives such as ASEAN and COMESA. COMESA has indicated that it would appreciate receiving similar technical assistance. A mission was undertaken at the invitation of the ASEAN Coordinating Council On Trade In Services to share experiences and extend possible UNCTAD technical assistance to ASEAN. Both proposals are still pending subject to provision of adequate resources and financing from donors.

108. ***Results:*** The programme has actively supported the SADC secretariat and SADC member States with technical advice and analytical support. A possible benchmark is the progress made in liberalizing trade at the subregional level and the removal of or solution to outstanding issues regarding the implementation of the SADC Trade Protocol. There have been an increased number of SADC common approaches and participation in WTO negotiations, as well as increased coherence between multilateral and subregional negotiations. SADC experience has been extended to other regional groupings.

(iii) The Global System of Trade Preferences among Developing Countries (GSTP)

109. ***Development context/objectives:*** The Agreement on the GSTP was established in 1988 as a framework for the exchange of trade preferences among developing countries with a view to promoting mutual trade. Since its entry into force in 1989, 44 countries have become participants. In accordance with a basic principle of the GSTP, namely that it shall be negotiated step by step and improved in successive stages, the participating countries concluded the second round of negotiations in December 1998. UNCTAD's GSTP project provides substantive and administrative support to the GSTP Committee of Participants in furthering the objectives of the Agreement.

110. ***Output:*** In 2001, the GSTP project carried out the following main activities:

- Review and assessment of implementation and administration of the Agreement since its entry into force in 1989. On the basis of a comprehensive report by the GSTP project, the Committee mandated its subsidiary body (the GSTP Sub-Committee) to examine at the technical level issues and concerns that have affected the operation of the Agreement since its entry into force. The Sub-Committee has identified four priority technical areas for action by the mother Committee;

- Rationalizing future GSTP negotiations. Pursuant to the recommendations of the 10th session of UNCTAD in Bangkok and of the South Summit meeting of the Group of 77 in Havana, the GSTP Committee of Participants has examined options prepared by the GSTP project for rationalizing the process for a possible third round of GSTP negotiations;

- Verification of the results of the second round of GSTP negotiations. Efforts have been made to complete verification of second round concessions. Several GSTP members have finally verified their 1998 concessions, while a few others have rectified theirs. Solutions have been proposed to members whose concessions remain unverified;

- Acceptance of the Protocol of Accession of MERCOSUR. Subject to parliamentary ratification, representatives of the member countries of MERCOSUR in Geneva have accepted their accession protocol;

- Updating and expeditious circulation of GSTP certificates of origin. Central to the conferring of GSTP trade benefits is the submission of updated certificates of origin of exports. To date, certificates of origin have been largely updated;

- Review of GSTP materials and references. Available records and files have been reviewed and reconstructed in anticipation of the work of the Committee of Participants;

- Facilitation activities. To promote a better understanding of the GSTP Agreement, the President of the Committee of Participants has made arrangements with the Chairman of the Group of 77 in New York for the use by the GSTP of the Group of 77 website. Basic information about the GSTP has been made available for wider circulation. Additionally, booklets on the GSTP Agreement (in English) have been completed for final reproduction. Other versions are in the pipeline.

111. ***Results:*** The review and assessment of the GSTP Agreement since its entry into force has revealed a number of areas requiring remedial action. These areas cover the technical standing of the GSTP schedules of concessions, the nature of GSTP concessions and transparency.

- Following examination of these technical matters, the Committee of Participants is expected to take appropriate decisions to improve the operation of the Agreement. GSTP members have accepted the need to update their concessions in the light of the introduction of the International Convention on the Harmonized Commodity Description and Coding System (Harmonized System). It only remains to complete agreed procedures for the updating;

- The stocktaking of the Agreement has highlighted interlocking consequences of the delayed transposition of GSTP concessions into the Harmonized System: rules of origin, statistics and value of concessions to traders. A programme setting priorities for improving the operation of the Agreement has been agreed on, and once implemented through appropriate decisions, would set the stage for revisiting calls for a third round of GSTP negotiations. The meeting of the Group of 77 held in the Islamic Republic of Iran in August 2001 recognized the need for expanding GSTP concessions.

112. The acceptance by MERCOSUR of its protocol of accession to the GSTP Agreement would enlarge GSTP trade coverage through the additional participation of Paraguay and Uruguay, in addition to Argentina and Brazil.

113. GSTP concessional trade has been facilitated, and disputes avoided, by the almost complete updating of certificates of origin.

114. The dissemination of selected materials about the GSTP through the Group of 77 website has attracted inquiries and interest in the GSTP Agreement by private research groups and regional institutions.

(c) Commercial Diplomacy Programme

115. ***Development context:*** The Commercial Diplomacy Programme is a capacity building and training programme aimed at enabling trade negotiators and the business community in developing countries to better participate in trade negotiations at the multilateral, regional and bilateral levels and to increase their negotiating capacity. The substantive and analytical inputs of this programme are drawn from the analytical work undertaken by UNCTAD on the "positive agenda".

116. General Assembly Resolution A/52/898 (15 December 1998) recognized the importance of supporting the negotiating capacity of developing countries and economies regarding transition on international trade issues and participation in the WTO negotiations. The Commercial Diplomacy Programme was the implementation of that resolution and started to operate in June 1999. The mandate has been strengthened by the UNCTAD X Plan of Action (particularly paragraphs 129 and 164; see also paragraphs 130, 131 and 136). Pursuant to this mandate, the training of trade negotiators and support to developing countries' training and research institutions in the area of trade policy-making and negotiations are the main objectives.

117. ***Objectives:*** The Commercial Diplomacy Programme encompasses the following interlinked and mutually supportive objectives:

- Training for trade negotiators of developing countries and economies in transition, particularly in ongoing WTO negotiations from the development perspective;
- Capacity building for research and training institutions of developing countries and economies in transition in respect of international trade issues, so as to enhance their capacity.

118. In design as well as in implementation, both areas of activity take into account:

(a) The specific interests of developing countries and economies in transition in the preparation of international trade negotiations;

(b) The analytical studies, technical work and research carried out in the Trade Negotiations and Commercial Diplomacy Branch in relation to the "positive agenda" and the results of UNCTAD expert meetings;

(c) The regional diversity among developing countries and the coordination and cooperation with existing national, international and regional organizations involved in training and research on international trade, so as to avoid duplication of efforts.

119. ***Output:*** In 2001, the Commercial Diplomacy Programme designed and organized 22 training and capacity building events at the national, subregional and regional levels in developing countries, as well as in Geneva (see www.unctad.org/commdip). These include: (a) Harvard Trade Policy Course (Harvard University, Kennedy School, December), with the participation of 50 postgraduate students from developed and developing countries; (b) National Seminar on Trade in Services (Cape Town, South Africa, November), with the participation of stakeholders, policy makers, academia and businessmen; (c) National Seminar on Trade in Services (Gaberone, Botswana, November), with the participation of stakeholders, policy makers, academia and businessmen; (d) Regional Meeting on Research and Training Needs in International Trade in Africa (Mauritius, October), with the participation of trainers and

researchers from selected African Universities and research centres of the African region; (e) update of trainers on ongoing negotiating issues (Bucharest, Romania, July), with the participation of trainers and businessmen; (f) training of trainers for Iranian trade negotiators (Geneva, Switzerland, July), with the participation of two Iranian trainers; (g) Round Table with Andean Vice Ministers and High Officials (Geneva, Switzerland, May), with the participation of 15 negotiators; (h) training workshop for trade negotiators of Gulf countries (Geneva, Switzerland, May), with the participation of trade negotiators (Geneva-based and from capitals) of the Gulf countries; (i) workshop on the preparation for the Fourth WTO Ministerial Conference (Harare, Zimbabwe, May), with the participation of 30 government officials; (j) seminar for Central American high officials on the negotiations on services (Geneva, Switzerland, March), with the participation of 12 government officials; (k) course for Andean trade negotiators on WTO and subregional negotiations on agriculture and services (Geneva, Switzerland, March), with the participation of 20 trade negotiators from the Andean countries; (l) training of trainers on trade negotiations (Alexandria, Egypt, February), with the participation of 12 trainers from French-speaking developing countries and economies in transition; (m) seminar on market access (Asunción, Paraguay, February), with the participation of 25 Paraguayan trade officials.

120. Each activity had specific features (since the Programme does not rely on a standardized model and is focused on a tailor-made approach) based on:

- The permanent updating of training and capacity building activities;
- The language required in each case (English, French or Spanish);
- National or subregional scope (e.g. at the country level or for a group of countries);
- Specific or generic agendas (e.g. on one or more WTO issues);
- The needs of the audiences (different level of knowledge and different responsibilities in trade policies and trade negotiations);
- Different training methods, including simulation of negotiations, depending on the needs, and on the time and the resources available.

121. In general, the impact is greater and more visible when the content of the training and capacity building is more directly linked to ongoing WTO negotiations, while the activities that concern global topics and medium-term objectives have a different impact from the point of view of the negotiating capacity of the beneficiary countries.

122. In addition to ad hoc training material prepared for each event, the Programme published new basic training modules in 2001: “Advanced training tools on negotiations in services”; “TRIPS and transfer of technology”; “Anti-dumping”; “Research and training tools on tariff peaks and other residual trade protection”.

123. ***Results:*** The negotiating capacity of the developing countries is a qualitative concept that cannot be assessed with the benchmarks that are used for other training and technical assistance activities. However, each Commercial Diplomacy event is assessed on the basis of the evaluations received by the participants and/or the national authorities of the beneficiary country, and in the light of the criteria set by the organizers when the event was designed. The evaluation posted in front of each event on the Programme's website shows a global summarised assessment.

3. Commodities

(a) Capacity building for diversification and commodity-based development

124. ***Development context:*** World trade in high-value commodities and, in particular, foodstuffs is growing rapidly. Many of these commodities which are currently exported by commodity-dependent developing countries in an unprocessed form could easily be supplied by them as value-added. However, most developing countries, particularly LDCs and African countries, were not successful in diversifying their commodity economies for exploiting these dynamic and lucrative markets. The enterprise sector has been unable to adapt itself to the liberalized and more demanding trading environment, and its needs for support are not effectively prioritized. Government policies need to be reviewed in the current trading framework and the government support needs to be more selective and focused. Civil society and institutions also have a crucial facilitating role in the diversification process. There is, therefore, a need in commodity-dependent developing countries for: capacity building in enterprises to adapt export diversification strategies and business practices to modern market exigencies; improving effective partnerships between enterprises and finance providers; capacity building for Governments to design and implement focused and sequenced policies and measures that tackle the most important problems; increasing the effectiveness of local institutions and civil society in ensuring that the disadvantaged segments of the population are involved in the diversification process with a view to reducing poverty; and increasing national and regional food security and food self-sufficiency, and regional trade.

125. ***Objectives/features:*** To promote the horizontal, vertical and geographical diversification of production and trade structures; to improve government's capacities to formulate focused, effective and sequenced policies in this respect; to increase the competence of enterprises in adapting their business strategies and supplies to the Post-Uruguay Round trading framework; and to strengthen positive linkages between the commodity sector and the rest of the economy.

126. ***Output:*** Six regional workshops were held in 2001: Diversification and development of the horticultural sector in Africa (for francophone countries) (Bamako, Mali, February); The agrifood sector in Central America: regional integration and international linkages for its development (San José, Costa Rica, March); Commodity export diversification and poverty reduction in South and South-East Asia (Bangkok, Thailand, April); Diversification and development of the horticultural sector in Africa (for anglophone countries) (Nairobi, Kenya, May); Constraints, challenges and prospects for commodity-based development in the Pacific island countries (Nadi, Fiji, September); and Food security and agricultural diversification in countries of Central Asia (Almaty, Kazakhstan, November). One national workshop – Diversification for non-traditional products, particularly organics (Havana, Cuba, November) – was also held. In all, 60 policy-oriented studies and training notes were prepared in 2001. A special effort was made to involve consultants and resource persons from developing countries and countries in transition (47 of the total 65 consultants who have been engaged in the project).

127. ***Results:*** The results of this capacity building programme are expected to be observed in the implementation, by Governments and enterprises, of the recommendations reached at the workshops and the use made of the training that was provided. The immediate impact of workshops has been requests for specific follow-up activities/national workshops from eight countries (Peru, Gambia, Nigeria, Guinea, Kenya, Mauritius, Philippines and Uzbekistan). The high proportion of developing countries' consultants is a positive externality of the project in terms of capacity building in developing countries. With a view to promoting transparency, making available all the materials prepared for the workshops as well as the results thereof, and facilitating interaction among a wide audience, a dedicated window has been opened in the portal Infocomm (http://www.unctad.org/infocomm/diversification/). This service has been greatly appreciated by workshops' participants and has also generated considerable outside interest. It is expected that the use of the website will contribute to generating significant multiplier effects within developing countries, facilitate interaction among a wide audience and foster a wide dissemination of benefits.

(b) Commodity price risk management

128. ***Development context:*** Developing countries remain exposed to major commodity price risks, both on the export and the import side, making it very difficult to plan their economic policies or manage their debts. While instruments exist to manage this risk exposure, most developing countries are not familiar with them. A similar situation exists at the level of producers, and particularly farmers. They currently use risk avoidance strategies that greatly reduce their expected income, and, in developing countries, have no access to more efficient instruments that exist in developed market economies. In the area of commodity finance as well, there are large inefficiencies due to lack of knowledge and understanding of modern financial techniques. This makes it difficult to finance projects, which leads to financing costs for local operators and leaves the agricultural sector in particular underfunded.

129. ***Objective/features:*** Since in an environment of continuing liberalization and international exposure poor access by developing countries to modern financial instruments makes it difficult for them to become competitive, the main objective of work in this area is to improve the use of modern risk management and financing techniques in the commodity sector of developing countries. This not only makes important cost savings possible, but also allows Governments, parastatals and private sector entities to plan and manage more efficiently. The programme has focused on raising awareness and understanding of modern financial techniques through the publication of technical reports and training materials, as well as through seminars and workshops. Financial support to this programme has come entirely from private sector donors, and a lack of official aid funding made it impossible to meet many demands from developing countries.

130. ***Output:*** Operational activities in 2001 fell into two areas: continuing support to the development of developing countries' commodity exchanges (presentations were made in China and India; and UNCTAD has remained responsible for the organization of a session on emerging markets' commodity exchanges organized alongside the Burgenstock futures conference, one of the world's three major futures industry meetings); and training for developing country bankers in structured financing techniques (workshops were held in Egypt, Guatemala, the Netherlands, Singapore and Thailand, while the issue was also included in diversification workshops organized by UNCTAD in Costa Rica, Cuba, Fiji, Kazakhstan, Mali, Thailand and Uganda). At the 2001 LDC Conference, particular attention was devoted to risk management issues in the field of energy. As a result, a conference on efficient procurement of hydrocarbons and managing oil price volatilities in LDCs will be organized in cooperation with UNIDO in June 2002 in Vienna. Some preliminary work (recruitment of a consultant, preparation of terms of reference and a project document) was done in 2001.

131. ***Results:*** These activities led to a better understanding of modern financial techniques relevant for the commodity sector among, in particular, private sector decision makers. Given limited funding, no effort could be made to further evaluate impact, but it should be noted that as most of this work is funded by the private sector, a lack of impact would rapidly lead to a drying up of this funding – which so far has not happended.

(c) Commodity information

132. ***Development context:*** Developing country Governments and enterprises often do not have access to accurate and comprehensive information on commodity production, consumption and trade. This lack of basic market information complicates their efforts to identify new markets and to broaden the range of export products.

133. ***Objectives/features:***

(a) To provide disaggregated statistical data at the world, regional and country levels for trade and consumption in selected agricultural primary commodities and minerals, ores and metals;

(b) To provide detailed quantitative and qualitative information on production and trading conditions for primary commodities.

134. ***Output:*** Publishing of the UNCTAD Commodity Yearbook was discontinued in 1995. Since then UNCTAD has received numerous requests for this publication to be restarted. The project, which is financed by the Common Fund for Commodities (CFC) and undertaken in cooperation with the CFC and the Food and Agriculture Organization of the United Nations (FAO), aims to respond to the needs of developing countries' Governments and enterprises for accurate and comprehensive data on commodity production, consumption and trade. A first issue of the Yearbook, including data for years 1970, 1975, 1980, 1985, 1990 and 1995-2000, will be published in mid-2002 in hard-copy form and in a CD-ROM version. It will have a slightly extended coverage compared with the UNCTAD Commodity Yearbook published up until 1995. Work undertaken in 2001 included identification of sources and preparation of a layout.

135. Infocomm – Market Information in the Commodities Area – is an attempt to respond to the acute need of commodity-dependent developing countries for information on commodities. For that purpose, an international electronic portal (http://www.unctad.org/infocomm) has been developed to promote market transparency, improve the understanding of commodity structures and facilitate access to analysis vital to adoption of sound policies and strategies on commodity production, marketing, processing and financing. Information on commodity marketing structures as well as relevant links will be added progressively. At the end of 2001, information on 10 commodities was available. In addition, an overview of selected emerging commodity exchanges has been developed within the portal in collaboration with the Association of Futures Market, and several links regarding electronic trade have been identified.

136. ***Results:*** The activities described will result in a significant improvement in the basic market information available at no cost to developing countries, thus improving their possibilities to position themselves on world commodity markets. It should be mentioned that the Infocomm portal is the most visited of all UNCTAD websites, thus illustrating the demand for this type of information.

4. Trade, environment and development

137. ***Development context:*** UNCTAD X stressed the need to identify policies to address major constraints faced by many developing countries in responding to environmental challenges, such as lack of technical, financial, institutional and supply capacities, taking into account the environmental and developmental conditions of each country. It called upon UNCTAD to identify specific capacity building needs of developing countries and to promote a broad programme of capacity building on trade, environment and development (para. 146). Furthermore, the Plan of Action called upon UNCTAD to identify issues that could yield potential benefits for developing countries, including with regard to the link between public health and development (para. 147). UNCTAD X substantially enlarged UNCTAD's mandate in the area of trade and environment, and consequently its technical cooperation activities, including in areas such as traditional knowledge, biotechnology and public health.

138. ***Objectives:*** The programme aimed to:

- Facilitate dialogue between trade, environment and development communities; strengthen capacities for policy analysis and trade and environment policy coordination in developing countries;

- Identify policies to address major constraints faced by many developing countries in responding to environmental challenges as well as to identify issues that could yield potential benefits to developing countries, including with regard to the link between public health and development;

- Support the effective participation of developing countries in international deliberations on trade and environment.

139. ***Features:*** Important features of the programme included:

- Close interaction with the intergovernmental work programme and secretariat research;
- Broad geographical coverage;
- Special attention to LDCs;
- Broad coverage of issues;
- Participatory approaches using local research and the capacity of non-governmental organizations;
- Close cooperation with other intergovernmental organizations, in particular UNEP, WTO, WIPO and WHO. Of great importance is the creation of the UNEP/UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF);
- Networking with other institutions and civil society.

(a) General

140. ***Output/results:*** The UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF) completed few relatively few but highly successful projects. Other projects are being implemented. In the context of the CBTF, progress was made in assisting LDCs in identifying their capacity building needs. Under the special CBTF programme for LDCs three projects are being implemented with the financial contribution of the Government of Sweden. These include a capacity building needs assessment seminar for Lusophone countries hosted by the Government of Mozambique, a workshop on selected global environmental issues for Lusophone countries hosted by the Government of Brazil and a project on certification in the agriculture sector of Cambodia.

Interregional projects

141. The UNCTAD/FIELD project on Strengthening Research and Policy-Making Capacity on Trade and Environment in Developing Countries, funded by the United Kingdom Department for International Development (DFID), was completed by mid-2001. It brought together trade and environment policy makers from 10 developing countries: Bangladesh, Brazil, Costa Rica, Cuba, India, Philippines, South Africa, Tunisia, Uganda and the United Republic of Tanzania. These policy makers engaged in an exchange of national experiences and intensive discussions on a number of key issues identified by participating developing countries. The final project workshop was held in Dar-es-Salaam, United Republic of Tanzania, in April 2001.

142. The project helped to deepen understanding of key trade and environment issues. Participants adopted a proactive approach to the issues under consideration, moving beyond the identification of problems to suggest policy initiatives to resolve the problems identified. At the final project workshop in Dar es Salaam, four working groups were created around the main clusters of issues addressed under the project in order to draw conclusions and make recommendations for actions at the national and multilateral levels. The working groups also identified main lessons learned from the project and points to be taken into account in future capacity building projects. In response, UNCTAD and FIELD have designed a new project with a regional focus, with one "core" beneficiary country working together with other developing countries in the same region. The project will assist beneficiary developing countries in identifying practical actions for implementation at national level and in participating effectively in international negotiations.

143. The project on *Standards and Trade,* funded by the International Development Research Centre (IDRC) in Canada, helps to identify policies that can address constraints on developing countries, in

particular the least developed countries (LDCs) in responding to sanitary and phytosanitary (SPS) measures and environmental requirements in international markets. Studies were undertaken in three developing regions, i.e. South Asia, Eastern and Southern Africa and Central America. Subregional or national workshops were held in New Delhi, India (January 2001), San José, Costa Rica (August 2001) and Kampala, Uganda (September 2001). The following LDCs participate in the project: Bangladesh, Mozambique, Nepal, Uganda and the United Republic of Tanzania. A workshop will be held in Geneva in May 2002 to complete the project.

144. Under the project *Reconciliation of Trade and Environmental Policies*, funded by the Government of the Netherlands, further work has been carried out, in cooperation with the International Rubber Study Group (IRSG), on opportunities and constraints regarding the internalization of environmental costs and benefits in the prices of rubber and rubber goods. Workshops planned for late 2001 had to be postponed to early 2002. An advisory mission was undertaken to Maputo, Mozambique, to assess capacity building needs and draw up a programme for Mozambique and other Lusophone countries. A draft study on production and trading opportunities for organic bananas for small-scale farmers in India has been completed.

Country projects

145. UNCTAD/UNDP country projects in India and Viet Nam played an important role in strengthening capacities for trade and environment policy coordination, as well as promoting dialogues between different stakeholders. In both cases, the scope of activities has been progressively broadened to include issues such as organic agriculture and traditional knowledge. The UNCTAD/UNDP project in India has generated interest in a broader programme of capacity building.

146. UNCTAD also implements country programmes focusing on specific issues. Capacity building activities in the context of the Basel Convention includes support to a multi-stakeholder forum advising the Government of the Philippines on the development and implementation of a comprehensive national strategy on sustainable management of lead, including sound lead recovery.

Training workshops

147. UNCTAD has developed a training package on trade, environment and development. Eight modules have been developed, dealing with a range of issues, as follows: trade, environment and sustainable development – the international context; trade and environment in the multilateral trading system; environmental requirements and market access; trading opportunities for environmentally preferable products (EPPs); multilateral environmental agreements; international standards for environmental management systems, such as ISO 14001; harnessing traditional knowledge for trade and development; building on developing countries' experiences with integrated assessments of trade.

148. The training materials being prepared for each module include a background document and a PowerPoint presentation. These materials (available on-line for authorized users in beneficiary countries) are adapted to the particular conditions and needs of the beneficiary country or region. Training materials are updated periodically to take account of changing realities in the dynamic interface between trade and environment.

149. Two training workshops were held under the CBTF: one in December 2001 in Havana and the other in Hanoi. The Hanoi workshop was also attended by experts from the trade and environment ministries of Cambodia and the Lao People's Democratic Republic. Both seminars generated initiatives for follow-up activities.

(b) The BIOTRADE Initiative

150. ***Development context***: Many developing countries are endowed with highly diverse biological resources, which represent considerable environmental and economic wealth. These resources provide a

wide range of products and services, such as watershed protection, carbon sequestration, ecotourism, products derived from bioprospecting, intermediate products (e.g. natural dyes, oils, biochemical compounds, medicinal extracts) and final products (e.g. timber, handicrafts, nuts, fruits, spices, medicines). Some of these have been a source of innovation and represent a major production input for the pharmaceutical, biotechnology, cosmetics and agrochemical industries.

151. However, environmental degradation has been threatening biodiversity all over the world. Countries that are rich in natural resources and biological diversity are witnessing high deforestation rates and careless environmental management with obvious threats to biological diversity. Problems such as the clearing of land for agriculture, commercial and illegal logging, unsustainable land-use, and loss of natural habitats are but a few examples. These problems are closely related to the poverty of local populations, and/or the lack of economic growth in developing countries. In this context, and in line with the objectives of the Convention on Biodiversity (CBD) in linking trade, biodiversity conservation and sustainable development in a mutually beneficial way, the BIOTRADE Initiative was launched in November 1996 during the third Conference of the Parties (COP3).

152. ***Objectives:*** The BIOTRADE Initiative aims to stimulate trade and investment in biological resources to promote sustainable development in line with the three objectives of the CBD: (a) conservation of biological diversity; (b) sustainable use of its components; and (c) fair and equitable sharing of the benefits arising from the utilization of genetic resources.

153. ***Features:*** The Initiative collaborates closely with various actors, including government, the private sector, NGOs, local and indigenous communities, and academia, to set up programmes that enhance the capability of developing countries to produce value-added products and services derived from biodiversity, for both domestic and international markets. The BIOTRADE Initiative comprises three complementary components: (a) country and regional programmes (through national focal points and regional partners); (b) Policy development and trade facilitation; and (c) Internet services.

154. ***Outputs:*** Under the project "Implementation of BIOTRADE Initiative in the Amazonian Region" funded by the United Nations Foundation (UNF) through the United Nations Foundation for International Partnerships (UNFIP), the activities developed in 2001 included the implementation of the country programmes in Colombia, Ecuador and Peru, in coordination with national partners and in close collaboration with the UNDP. The *Colombian* programme has advanced significantly in its work areas, such as information system, business development, including special projects, sustainability criteria, market research, pilot projects, investment and financial tools, and networking. Offices have been opened all over the country. Also, this programme started in 2001 to provide technical assistance to the programmes in Bolivia, Ecuador, Peru and Venezuela. In *Ecuador* the pre-assessment study and the formulation of a country programme were completed and the Corporación de Promoción de Exportaciones e Inversiones (CORPEI) and the NGO EcoCiencia act as the technical BIOTRADE counterpart. In *Peru*, the Biocomercio Committee was established and several studies regarding biotrade-related sectors and activities were prepared.

155. *Bolivia* finalized its pre-assessment study with the support of GTZ. The outcomes were discussed in several workshops in different parts of the country. The country programme will be implemented mainly with the financial support of the Swiss Government. *Venezuela* is also developing a BIOTRADE country programme.

156. Bolsa Amazonia is the second project component and achieved important outputs, including (a) the launch of the Market Information System for Bolsa Amazonia (SIMBA); (b) organization of two three-month specialization courses on "Sustainable Management of Natural Resources and Commercialization Opportunities for Rural Communities of the Amazonian Region" during the first and second half of 2001, with participants from all over the Amazonian region; and (c) promotion of sustainable businesses; and (d) expansion of Bolsa Amazonia within the Brazilian Amazon, through focal points in collaboration with local organizations in the States of Amapa, Rondonia and Acre. A regional workshop on the implementation of a regional information system for natural products was organized in Colombia (April

2001), and two regional meetings of the focal points of Bolsa Amazonia were organized in Caracas in July and in Bogotá in September 2001.

157. The joint programme of the Andean Community of Nations (CAN), the Andean Development Corporation (CAF) and UNCTAD has further supported the Andean country programmes and enhanced regional coordination. BIOTRADE counterparts have also: (a) actively supported the formulation of the Regional Biodiversity Strategy for the Andean Region, which includes biotrade as one of its priority areas; and (b) fostered the development of bio-businesses in the Andean region. Because of the success of the joint UNCTAD-CAN-CAF programme on the Andean region, a second five-years phase will start in April 2002.

158. In response to the needs expressed by the countries and regional programmes that benefit from the UNF project, UNCTAD/BIOTRADE and the ITC formulated a trade facilitation programme for products and services derived from biodiversity. The Swiss Government is funding the first phase of the programme, and has pledged significant funding for the second stage. The Dutch Centre for Import Promotion (CBI) and the Swiss Import Promotion Programme (SIPPO) will also support this programme.

Other activities in 2001

159. The CITES secretariat participated in two BIOTRADE workshops in Caracas and Bogotá, and decided to combine efforts and provide support for the implementation of national BIOTRADE programmes, in cooperation with TRAFFIC (WWF/IUCN) and the partners in the Andean region.

160. In Southern Africa, BIOTRADE is cooperating with the Southern Natural Product Trade Association (SANProTA) to support the commercialization of natural products in the following countries: Botswana, Malawi, Namibia, Zambia and Zimbabwe.

161. Regional and national meetings have taken place, which enhance South-South cooperation and, sharing of experiences and knowledge, while fostering joint initiatives. In addition, studies on legal issues related to biotrade and market studies, among others, were developed.

(c) Climate Change Programme

162. Under this programme, UNCTAD currently has two technical cooperation projects.

(i) Launching a Plurilateral Greenhouse Gas Emissions Trading System

163. ***Development context:*** This project aims to provide support to interested Governments, corporations and non-governmental organizations for the development of a plurilateral market for trading in greenhouse gas emission allowances and certified emission reduction credits, in accordance with the Kyoto Protocol, and the decisions of the fourth session of the Conference of the Parties (COP4). The project organizes an annual policy forum that brings together high-level representatives from the public and private sectors to share experiences, promote dialogue and establish working relations conducive to the design and implementation of a system for the trading of greenhouse gas (GHG) emission allowances and credits.

164. ***Objectives***: The project continues to provide support to Governments, the private sector and non-governmental organizations in the development of technical assistance for capacity building, in particular in developing countries and countries with economies in transition for their participation in the emerging GHG market.

165. ***Features/outputs/results***: Major achievements in 2001:

- The 5th Session of the UNCTAD/Earth Council Policy Forum was held in Rio de Janeiro, Brazil, in August 2001.

- A compendium of articles entitled *GHG Market Perspectives: Trade and Investment Implications of the Climate Change Regime – Recent Research on Institutional and Economic Aspects of Carbon Trading* was published in June.

- The training manual was released in draft form at the 5th Policy Forum in Rio in August 2001. After some testing, it was finalized and distributed at COP 7 in November 2001.

- Issue no. 10 of the Global Greenhouse Emissions Trader newsletter was published in May 2001.

- A new website was launched to better showcase the project's outputs and offer better access to publications, news, the database and network.

Other activities: Some activities initiated in 2001 will actually be completed in 2002:

- Carbon Market eLearning Center – the prototype of the eLearning Center is being developed to provide complementary learning opportunities to a global audience on the use of emissions trading as an economic instrument to implement the UNFCCC and Kyoto Protocol;

- Market Forum in countries with economies in transition to develop their capacities in participating effectively in emerging GHG markets;

- Production and release of a CD-ROM containing all project publications, newsletters and outcomes of policy forums;

- Publication of wrap-up issue of the Global Greenhouse Emissions Trader newsletter;

- The project is expected to conclude in August-September 2002 with an external evaluation.

(ii) Engaging Private Sector in CDM Activities in Brazil under the Kyoto Protocol

166. ***Development context***: The project aims to support the Government and civil society actors in the formulation of the national climate change policy.

167. ***Objectives***: The project aims to provide assistance to the Brazilian Inter-Ministerial Commission on Climate Change in the implementation of the Climate Change Convention and the Kyoto Protocol. The project will initially support the preparation of a national CDM Implementation Guide in collaboration with the BNDES – the National Economic and Social Development Bank.

168. ***Features/outputs/results***: Major achievements in 2001:

- UNCTAD convened the first coordination meeting with key national stakeholders back to back with the 5th Session of the UNCTAD/Earth Council Policy Forum, which was held in Rio de Janeiro, Brazil, in August 2001.

- Detailed terms of reference were developed and approved by the Inter-Ministerial Commission and BNDES.

- In 2002, UNCTAD liaised closely with the Interagency CDM project, of which this project is a component. Other agencies involved include UNDP headquarters and the country office in Brazil, UNIDO, World Business Council for Sustainable Development (WBCSD), UNF and UNFIP.

- A programme of work has been agreed with the recipient country, which will include a series of national consultations involving government agencies and civil society, the latter to be undertaken in collaboration with the Brazilian Forum on Climate Change.

5. Competition law and policy and consumer protection

169. ***Development context:*** Strengthened competition enhances overall economic efficiency and significantly improves prospects for sustained economic growth and development. The worldwide implementation of fundamental market-oriented economic reforms has unleashed considerable competitive forces, which play a key role in ensuring the success of the reforms and need to be supported by the appropriate rules of the game. However, despite a general widespread trend towards the adoption, reformulation or better implementation of competition laws and policies in developing countries and economies in transition, many of these countries still do not have up-to-date competition legislation and policies or do not apply them with full effectiveness and request technical assistance in this area. In this connection, the UN Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices calls for the provision of technical assistance, advisory and training programmes, particularly to developing countries. Furthermore, at UNCTAD X, UNCTAD was given a mandate to continue and expand its help to interested countries in developing their national regulatory and institutional framework in the area of competition law and policy.

170. ***Objectives:*** The programme aims at assisting developing countries in formulating or reviewing competition policies and legislation, at contributing to the building of national institutional capacity in this area and at providing government officials and private entrepreneurs with a better understanding of competition laws and policies.

171. ***Features:*** Assistance is provided in accordance with requests received, needs of countries concerned and resources available. The main types of technical cooperation activities can be described as follows:

(a) Provision of information about restrictive business practices (RBPs), their existence and possible adverse effects on the economy. This may involve a study on RBPs in a specific country;

(b) Introductory seminars directed at a wide audience, including government officials and academics, as well as business and consumer-oriented circles;

(c) Assistance to countries which are in the process of drafting competition legislation in the form of provision of information on such legislation in other countries or advice on drafting;

(d) Advisory services for the setting up of a competition authority, which usually includes training of officials responsible for the actual control of RBPs and may involve training workshops and/or on-the-job training with competition authorities in countries having experience in the field of competition;

(e) Organization of seminars for countries which have already adopted competition legislation, have experience in the control of RBPs and wish to consult each other on specific cases and exchange information;

(f) Assistance to countries which wish to revise their competition legislation and seek expert advice from competition authorities in other States, so as to amend their laws in the most effective manner possible; and

(g) Assistance in the area of creating a "competitive culture" and preparing developing countries, including the LDCs as well as economies in transition, for future multilateral negotiations in this area.

Output/results:

(a) National activities

172. In 2001, technical assistance related to preparation or revision of national competition policy and legislation was provided to Botswana, China, Cuba, Ecuador, Hong Kong (China), Kenya, Namibia, Thailand, Lesotho, Swaziland, Angola, Viet Nam and countries members of UEMOA (West African Economic and Monetary Union). Moreover, a manual on international competition law, regulation and cooperation (in Russian) was published for distribution in CIS countries.

173. A national seminar on competition law and policy was held by UNCTAD in cooperation with the Government of Cuba in Havana in February 2001. The seminar was the first step to furthering assistance to Cuba in the area of competition policy, as envisaged by a special UNCTAD project aimed at strengthening the capacity of Cuban public institutions to foster Cuban economic growth and Cuba's insertion into the world economy. Three seminars were co-organized by UNCTAD and the Ministry of Trade of Ecuador in Quito and Guayaquil in April 2001 to discuss the problems of drafting and enforcing competition legislation, as well as to advocate the benefits and importance of adopting competition law and policy for the national economy and in relation to Ecuador's involvement in various international integration processes. Three workshops were organized by UNCTAD, UNDP and Ministry of Trade of Viet Nam in May, June and November 2001 in Hanoi and Ho Chi Minh City. They aimed at assisting the Government of Viet Nam in drafting national competition legislation and brought together participants from the country's Government, public sector and private sector. A workshop within the framework of drafting Botswana's competition legislation was held in October 2001 in Gaberone. It reviewed interim reports in preparation for the elaboration of the country's competition law and policy and discussed all major competition issues. Another workshop was held in November 2001 in Menzani, Swaziland. It was aimed at discussing Swaziland's draft competition law and institutional framework with a wide range of participants, including government officials, representatives of the business community and consumers. It also discussed the problems of establishing an effective competition authority for the control and implementation of the competition law once it is approved in the country. A seminar on cross-border mergers and acquisitions: policies and practices was organized by UNCTAD in cooperation with the Ministry of Foreign Trade and Economic Cooperation in Guangzhou, China, in December 2001. The seminar reviewed key issues related to cross-border mergers and acquisitions and drew lessons from international experience, relevant for national authorities. A workshop entitled "Making markets work – the role of government in promoting competition" was co-organized by UNCTAD and the Consumer Council in December 2001 in Hong Kong (China). It provided relevant government officials with capacity building in competition policy analysis, assisted them in examining allegations of anti-competitive conduct and the impact of new economic policy proposals on market competition. A seminar entitled "La Politique de la Concurrence de Madagascar dans le Cadre de la Globalisation" was held by UNCTAD and the Government of Madagascar in Antananarivo, Madagascar, in December 2001. It contributed to the promotion of competition culture in the country, the education of Malgache circles and thus facilitation of the adoption of national competition legislation.

(b) Regional and subregional activities

174. In Asia, in cooperation with the Consumer Unity and Trust Society (CUTS) of India and Consumers International (Asia), UNCTAD held a Regional Meeting of the Asia-Pacific on New Dimensions of Consumer Protection in the Era of Globalization (Goa, India, September 2001). The meeting brought together representatives of consumer NGOs and government officials from countries of the region to discuss various issues related to consumer interests, competition, competitiveness and development of developing countries. It also adopted a list of recommendations in the form of the "Goa Declaration" for the Expert Meeting on Consumer Interests, Competitiveness, Competition and Development (Geneva, October 2001). Also in India, an interregional Intensive Training Session for Negotiators of Investment and Competition Agreements was co-organized by UNCTAD and the Institute for Foreign Trade in New Delhi, in November 2001.

175. In Africa, a Regional Seminar on Competition Policy and Law was organized in March 2001 in Mombasa (Kenya) by UNCTAD in partnership with the Kenyan Monopolies and Prices Commission. Representatives of competition authorities of all COMESA, EAC and SADC member States as well as other participants attended the seminar, which aimed at institutional capacity building for the Kenyan Competition Authority and other regional competition agencies. Participants also shared knowledge in the field of drafting and adopting competition law and policy and shared experiences in dealing with various cases. Another African Regional Seminar on the Interaction between Consumer Policy, Competition Policy, Competitiveness and Development was co-organized by UNCTAD and the Consumers International Regional Office for Africa in August 2001 in Accra, Ghana. It brought together leaders in consumer policy from African Governments, business and civil society to reflect on Africa-specific issues, to exchange concrete experiences and practical approaches to address the issue of consumer protection in developing countries and to formulate recommendations for the Geneva Expert Group meeting. Within the framework of a regional TrainForTrade project, the first experiment in Distance Learning of Training of Trainers on Competition Law and Policy was held for Benin, Burkina Faso and Mali in November-December 2001. This activity integrated two courses – on formulation and on implementation of competition law and policy, organized with a view to training high-level officials from the above-mentioned countries.

176. In Latin America, a Regional Seminar on Consumer Protection and Competition Policy for Latin America and the Caribbean was organized in July 2001 in Cartagena (Colombia) by UNCTAD in cooperation with the Superintendencia de Industria y Comercio of Colombia. The seminar was attended by a wide range of participants from different countries of the region, who showed great interest in the issues discussed, especially the broader approach to competition, competitiveness and development in relation to consumer policy. It also adopted recommendations containing a number of interesting proposals which were submitted and further discussed at the Expert Group meeting in Geneva.

177. In cooperation with the State Committee on Antimonopoly Policy of Kyrgyzstan, UNCTAD also organized the International Conference on Competition Policy for Countries in Transition in Bishkek in October 2001. The conference reviewed new developments in competition legislation in the light of economic reforms under way in transitional economies and discussed methods and practices for regulating natural monopolies. It also discussed various issues of consumer protection and international cooperation in competition and consumer protection area and elaborated its recommendations for the Geneva Expert Group meeting.

(c) Participation in seminars and conferences

178. In 2001, UNCTAD staff members took part in a number of seminars, workshops and conferences related to issues of competition law and policy and consumer protection. In total, UNCTAD participated in 14 such meetings.

B. DIVISION ON INTERNATIONAL TRADE IN GOODS AND SERVICES, AND COMMODITIES

(In dollars)

Project number	*Short title*	*Duration*	*Source of fund*	*Total budget*	*Cumulative expenditure*	*Expenditure 2001*
Trade Analysis						
ALG/98/001	Elaboration d'un programme d'appui à l'adhésion de l'Algérie à l'OMC et à son association à l'Union européenne	1998-	UNDP	245 000	81 280	21 108
MAG/98/A10	Appui au développement du commerce extérieur	1998-2001	France	84 459	46 407	-5 507
INT/90/A07	TRAINS: Development and dissemination of selected computerized trade data	1991-	Multidonors	355 297	266 645	20 886
INT/90/A19	Negotiations for a GSTP among developing countries	1990-	Multidonors	1 971 066	1 405 448	124 782
INT/92/A04	TRAINS for GSP	1993-2002	Italy	80 000	61 818	5 648
INT/98/A60	Agricultural Trade Policy Simulation Model	1998-2002	United Kingdom	178 680	113 702	36 689
INT/0T/0AU	Formation au commerce international et développement des entreprises	2000-2002	Agence Intergouvernementale de la Francophonie	66 724	57 586	22 557
INT/0T/1AB	High Level Meeting on Tourism and Development in LDCs	2001-2002	Spain	154 989	113 378	113 378
INT/0T/1AT	Increasing the developing country representation in the Agricultural Market Access Database (AMAD)	2001-2002	Ireland	57 088	33 260	33 260
RAB/96/001	Support to the Arab States in their pursuit of economic and social reform and multilateral economic cooperation	1997-2001	UNDP	3 047 517	3 047 689	172
	Total Trade Analysis			***6 240 820***	***5 227 213***	***372 973***
Trade Negotiations and Commercial Diplomacy						
BEN/98/A51	Suivi des accords de l'OMC et amélioration des débouchés internationaux pour les entreprises exportatrices du Bénin	1998	ITC	172 440	110 852	40 332
BKF/98/A52	Suivi des accords de l'OMC et évaluation des débouchés internationaux pour les entreprises du Burkina Faso	1998-2002	ITC	172 658	109 329	35 262
BYE/94/003	Support of negotiations on accession to GATT	1994-2001	UNDP	93 080	93 080	1 215
GHA/98/A54	Follow-up to the WTO Agreements and exploitation of business opportunities by Ghanaian enterprises	1998-2002	ITC	202 483	133 217	42 012
IVC/98/A53	Suivi des accords de l'OMC et évaluation des débouches internationaux pour les entreprises exportatrices ivoiriennes.	1998-2002	ITC	170 885	107 568	28 363
KAZ/98/001	Support of Kazakhstan accession to the WTO	1998-2002	UNDP	120 000	112 290	-14 508
KEN/98/A55	Follow-up to the WTO Agreements and exploitation of business opportunities by the Kenyan enterprises	1998-2002	ITC	222 025	154 890	48 472
MON/97/113	Support to the Government in its initial phase of membership in the WTO	1997-2001	UNDP	40 000	39 241	-759
MOZ/00/003	Elaboration of national strategies for better participation and understanding of the WTO and SADC negotiation and implementation	2000-2001	UNDP	86 000	83 977	-2 023
NEP/96/010	Nepal's Accession to the WTO	1997-	UNDP	831 358	513 364	46 637
RUS/00/009	Integration into International Trading System and WTO Accession	2001-	UNDP	83 000	15 664	15 664
SAM/00/001	Trade police and export-oriented strategies for the effective integration of Samoa into the multilateral trading system	2000-2001	UNDP	30 000	22 649	6 112
SAM/01/001	National Conference on WTO Accession	2001-	UNDP	30 000	27 485	27 485
TUN/96/007	Mise à niveau des capacités nationales pour gérer le nouveau système commercial multilatéral	1997-2002	UNDP	31 705	8 964	-71

(for note see end of table)

B. DIVISION ON INTERNATIONAL TRADE IN GOODS AND SERVICES, AND COMMODITIES (continued)

(In dollars)

Project number	*Short title*	*Duration*	*Source of fund*	*Total budget*	*Cumulative expenditure*	*Expenditure 2001*
UGA/98/A58	Follow-up to the WTO Agreements and exploitation of business opportunities by the Ugandan enterprises	1998-2001	ITC	238 749	173 192	37 549
URT/98/A56	Follow-up to the WTO Agreements and exploitation of business opportunities by the Tanzanian enterprises	1998-	ITC	234 538	161 625	22 173
VEN/0T/0CJ	Assistance to the Venezuelan Government on WTO issues	2000-	Venezuela	126 758	44 726	44 726
VIE/95/024	Capacity development for effective and sustainable integration into the international trading system and promotion of trade efficiency	1996-	UNDP	640 976	641 826	850
ZIM/99/002	Implications of the Uruguay Round and other subregional agreements on the economy and external trade of Zimbabwe.	1999-2002	UNDP	67 800	59 403	436
INT/84/A01	GSP – Technical Assistance Programme	1984-	Multidonors	3 507 495	3 221 856	5 335
INT/93/A34	Trade relations and economic cooperation in the Mediterranean region	1993-2002	Italy	598 454	502 409	5 763
INT/97/A06	Technical cooperation on market access, trade laws and preferences	1997-	Italy, China, EC	1 346 532	825 174	200 939
INT/98/A30	European Commission support to the technical cooperation project on market access, trade laws and preferences (INT/97/A06)	1998-2002	EC	84 375	67 010	12 150
INT/99/A50	UNCTAD trust fund project for WTO accession	1999-2002	United Kingdom	606 332	458 250	143 013
INT/0T/1BV	First Round of CBTF Activities: UNCTAD-LED Projects	2001-2002	UNEP	128 100	34 556	34 556
RAF/94/A34	Post-Uruguay Round assistance to African countries	1994-	Netherlands	393 000	367 469	11 671
RAF/96/001	Capacity building for trade and development in Africa	1996-	UNDP	1 246 474	1 155 113	203 243
RAF/97/A16[a]	Implementing the General Agreement on Trade in Services (GATS) in Africa (CAPAS)	1997-	Canada/IDRC	244 657	229 593	-1 480
RAF/97/A34	Post-Uruguay Round assistance to African countries	1997-	France	67 400	58 177	6 342
RAS/97/A18	Assistance to Countries of the Asian Region on MFN and Preferential Tariffs Negotiations	1998-	Japan	1 310 000	952 543	325 706
	Total Trade Negotiations and Commercial Diplomacy			***13 127 274***	***10 485 492***	***1 327 165***
Commodities						
CHI/99/A58	Scoping study for a project on mining and local sustainable development in Chile	1999-2002	Chile	20 000	17 314	-296
MLW/98/008	Economic aspects of development of agricultural alternatives to tobacco production and export marketing	1998-2001	UNDP	51 816	43 426	3 000
INT/96/A26	Commodity risk management and finance	1996-	Multidonors	211 637	170 501	13 553
INT/99/A27	L'intelligence économique au service des plus démunis	1999-2002	France	128 297	57 842	25 212
INT/0T/1CE	Annuaire sur les produits de bases	2001-2002	Common Fund for Commodities	30 000	17 050	17 050
RAS/97/A37	Creation of multi-stakeholder advisory panel on sound and cost-effective management of health and environmental risks	1997-	Multidonors	41 767	27 604	-90
	Total Commodities			***483 517***	***333 737***	***58 429***
Trade, Environment and Development						
IND/97/955	Strengthening capacities for trade and environment policy coordination in India	1998-2002	UNDP	172 400	170 902	2 802
IND/99/965	The role of business partnerships in promoting trade and sustainable development	2000-2001	UNDP	170 000	174 078	41 307
VIE/98/036	Trade, environment and development: policy implications for Viet Nam	1999-2001	UNDP	100 200	97 504	26 999

(for note see end of table)

B. DIVISION ON INTERNATIONAL TRADE IN GOODS AND SERVICES, AND COMMODITIES (concluded)

(In dollars)

Project number	*Short title*	*Duration*	*Source of fund*	*Total budget*	*Cumulative expenditure*	*Expenditure 2001*
GLO/99/A18	Launching a plurilateral greenhouse gas emissions trading system	1999-2002	UNFIP	376 100	362 508	16 695
GLO/9X/9DZ	Engaging the Private Sector in Clean Development Mechanism project activities under the UNFCCC/Kyoto Protocol	2001-2003	UNFIP	105 500	9 717	9 717
INT/91/A29	Development of a pilot scheme for trading CO2 emission entitlements (Phase III)	1991-	Multidonors	598 998	545 468	11 241
INT/92/A06	Reconciliation of environmental and trade policies	1992-	Netherlands, Norway	766 015	639 090	27 873
INT/92/A31 [a]	Developmental aspects of global environmental deliberations	1992-2002	Italy	150 000	127 524	-222
INT/97/A50	Biotrade initiative programme	1997-	Multidonors	307 823	230 198	40 529
INT/98/A61	Strengthening research and policy-making capacity on trade and environment in developing countries	1999-2002	United Kingdom	652 569	560 749	180 610
INT/99/A64	Project standards and trade	1999-	Canada	122 171	70 289	38 540
INT/0T/0BO	Building national capacity in management of recoverable material	2000-	Multidonors	25 385	14 514	10 319
	Total Trade, Environment and Development			***3 547 161***	***3 002 541***	***406 410***
Competition Law and Policy and Consumer Protection						
BOT/01/001	Institutional and Capacity Building in Competition Law and Policy	2001-2002	UNDP	103 300	57 983	57 983
VIE/01/002	Competition Law and Policy in Viet Nam	2001-	UNDP	50 000	44 657	44 657
INT/86/A01	Training programme on RBPs (competition policies)	1986-	France, Norway, Sweden/SIDA	1 091 073	953 645	254 788
INT/96/A19	Strengthening competition policy and legislation in developing countries and countries in transition	1996-	Netherlands	344 717	115 307	-576
RAF/97/A41	Institutional and capacity building in competition law and policy for African countries	1997-	Netherlands	617 602	532 910	128 688
	Total Competition Law and Policy and Consumer Protection			***2 206 692***	***1 704 502***	***485 540***
	DIVISION TOTAL			**25 605 464**	**20 753 485**	**2 650 517**

Note: EC – European Commission.

[a] Project which has been "operationally but not financially completed" or "completed" in 2001.

C. Division on Investment, Technology and Enterprise Development

1. Investment Issues Analysis Branch:

(a) UNCTAD/ICC Joint Project: "Investment Guides and Capacity building for Least Developed Countries (LDCs)"

179. ***Development context:*** The project, a collaborative undertaking between UNCTAD and the International Chamber of Commerce (ICC), strives to bring together two parties with complementary interests: firms that seek new locations and countries that seek new investors. The guides for investment in LDCs are designed as objective analyses of the investment environment and opportunities, for the information of potential investors. This project is a response to the fact that LDCs receive less than 0.5 per cent of global FDI flows even though most LDCs have removed many obstacles to FDI and are now actively seeking FDI.

180. ***Objectives/features:*** To address this imbalance, the project, first attempts, to supply potential foreign investors with an objective and up-to-date overview of investment conditions in participating LDCs in the form of an investment guide. Second, it incorporates workshops in each LDC, which focus on capacity building in the investment promotion area. Third, and in the long term most importantly, it launches a process at the heart of which is an ongoing dialogue between LDC Governments and the business community.

181. ***Output/results:*** Bangladesh, Ethiopia, Mali, Mozambique and Uganda are participants in the project's pilot phase. By the end of 2001, Investment Guides for Bangladesh, Ethiopia, Mali and Uganda were published, while the guide for Mozambique was scheduled to be published in the first half of 2002. An independent evaluation committee has positively assessed the project and strongly recommended its continuation. The dissemination of the guides among the investor community went on throughout 2001, with the network of ICC membership being one of the most important dissemination channels. Also, the presence of the project on the Internet, another important means of distributions was gradually improved throughout 2001. At the same time, UNCTAD has developed a project document for the second phase of the project that would comprise a further 8-10 LDCs.

(b) Development of Competitive Insurance Markets

182. ***Development context:*** Insurance services, a major component of financial services, enable economic agents to protect themselves against risks and help safeguard national assets while sustaining development and trade. In many developing countries, particularly in Africa, provision of affordable, available and reliable insurance services that match the needs of a country's economic agents are often lacking.

183. ***Objectives:*** To establish competitive and efficient insurance markets and to improve access for a large part of the population to insurance services, so as to prepare developing countries for further liberalization of the financial services sector. At the same time the insurance markets generate important financial resources which can be invested in enterprises through portfolio investment. The stability of the insurance markets depends also on the existence of profitable and viable investment outlets.

184. ***Features:*** In the area of insurance, UNCTAD provides technical support, advice, guidance and training for insurance supervisory authorities, in particular for the establishment of legal and supervisory frameworks geared towards sustaining the development of competitive insurance markets. Training seminars/workshops have been organized with a view to improving the understanding of the role of supervisors and enhancing the competence and technical abilities of the staff of supervisory authorities particularly of African and Caribbean countries. Also, events have been organized regarding the impact of liberalization, a rating scheme for African insurers has been established and a software for the operation of African insurers developed.

185. ***Output:*** *Conferences, workshops and seminars:* organization or assistance in the organization of: (a) the Second International Conference for Emerging Markets: "Towards Achieving Competitive Advantage", Kuala Lumpur, Malaysia; (b) meeting on "Challenges in insurance training and education", Kuala Lumpur, Malaysia; (c) workshop for the members of the Credit Assessment Committee, London, United Kingdom; (d) the meetings of the Association of African Insurance Supervisory (AAISA) Authorities, the African Credit Insurers, the Credit Assessment Committee of African Insurance Organization (AIO) and of the board of trustees of the insurance software project for Africa, Abidjan, Ivory Coast; (e) the Annual Joint Working Meeting of the Offshore Group of Insurance Supervisors with Offshore Banking Supervisors, Gibraltar; (f) the Seminar for African Insurance Regulators, Pretoria, South Africa; (g) the workshop for African insurance supervisors on issues relating to liberalization and trade negotiations, Libreville, Gabon; (h) the emerging market and education committee meetings of the International Association of Insurance Supervisors (IAIS), Basle, Switzerland, and Bonn, Germany; (i) a review and quality assessment meeting of the software for African insurers, Geneva, Switzerland; (j) the meetings of the Credit Assessment Committee and Board of Trustees of the software project for African insurers, Dakar, Senegal. *Other activities:* assistance to the AIO in developing a software for African insurance enterprises, as well as establishment with AIO and Standard & Poor's of a rating scheme for African insurers and reinsurers.

186. ***Results:*** 58 developing countries benefited from the events organized in the area of insurance. These events contributed to the establishment of insurance supervisory authorities and implementation of new laws and rules in many developing countries. As a consequence, insurance markets in many of developing countries have been consolidated, a large number of insolvent insurers have been closed, asset/liability matching is better controlled and, through improved competition, prices have fallen and the quality of services has improved. The software package is now finalized and will be installed in companies during the first half of 2002; more than 50 African insurance companies have declared their interest in using the software developed with the help of UNCTAD. Twenty African insurance companies have been rated under the scheme that was set up by UNCTAD and the AIO with the technical help of Standard & Poor's. The scheme will help ensure improved conditions of transparency and conduct of business.

(c) Project on needs assessment to attract Asian FDI into Africa

187. ***Development context***: An increasing share of FDI from the developing world, which now accounts for about one tenth of world FDI flows, originates in developing Asia. Some of the region's firms have grown to rank among the largest transnational corporations (TNCs) in the world. However, the investments of these TNCs are not much directed to Africa, although there are now signs that they are beginning to be directed to some African countries. The region does not seem to have participated in the FDI increases that have occurred since the latter half of the 1980s, having experienced a decline in its share in world FDI.

188. ***Objectives/features***: The project seeks to strengthen the understanding of how African countries, particularly, LDCs, can attract FDI from Asia and utilize it effectively for development. It enhances South-South cooperation and increases the involvement of the private sector in LDCs through sharing the experiences of Asian firms. Through the identification of investment opportunities and description of FDI best practices in Africa, the project aims at enhancing the awareness of Asian investors as to the investment potential offered by countries in Africa and at improving the institutional mechanism required to develop the private sector in Africa. It examines and analyses the underlying factors, with a view to assisting African LDCs in formulating policies for attracting FDI from Asia, including FDI by SMEs. This also includes policy recommendations regarding the institutional mechanism conducive to developing the private sector in Africa as well as a focused strategy for FDI promotion and the identification of possibilities for strengthening the African SME sector through the utilization of FDI.

189. ***Output/results***: At a high-level round table on "The Role of Asian FDI in African Development – How to make it work?" in Durban, South Africa, in July 2001, Needs Assessment Reports and country investment profiles on five selected case study countries (Botswana, Ghana, Madagascar, Mozambique

and United Republic of Tanzania) were discussed. The Needs Assessment Reports identify the industries that have comparative advantages in attracting FDI and strengthening the growth potential through FDI in those countries, taking into account best practices and successful examples in overcoming hurdles in each area from Asian as well as African experiences. The country investment profiles provide ways and means of informing Asian firms about investment opportunities while also addressing issues regarding the nature of the FDI that Africa attracts, determinants of additional FDI (sustainability of FDI) and the profitability of FDI, while at the policy level they are used to assess the investment environment and the government role to achieve development goals. The public-private sector exchange of views during the round table also set the stage for the direction of the remaining activities of the project. The results of the discussions at the round table will become an input to the action-oriented technical cooperation guidebook that details practical measures and steps to promote FDI from Asia with the objective of strengthening the institutional capacity of African countries for attracting increased FDI, and maximizing its developmental impact, by drawing on the experience of successful Asian countries.

(d) Foreign Portfolio Investment and Capital Market Development: A venture capital fund for LDCs

190. ***Development context***: Given the increasing scarcity of official development assistance for developing countries, the development of effective alternative sources of financial resources is becoming increasingly critical. For LDCs this need is magnified because of the difficulties they have experienced in attracting sufficient foreign financing since the bulk of private foreign finance is invested in a relatively small group of mostly middle-income developing countries and economies in transition. Venture capital represents a source of financing that is potentially well suited to at least some LDCs and therefore presents an opportunity to mobilize much-needed financing.

191. ***Objectives/features***: The objective of the project is to explore ways in which the feasibility of venture capital investments in LDCs can be enhanced. The project includes training seminars and workshops on various subjects, and conferences to discuss the role of government in venture capital development, and to bring together various actors in the venture capital industry.

192. ***Output/results***: A proposal for the establishment of the fund was completed in 2001 and discussions with investors and LDC officials were ongoing during 2001. Also in 2001, work was initiated on the preparation of the following manuals: "How to Prepare a Business Plan", "Best Practices for the Management of Venture Capital Funds in Developing Countries," and "Regulatory and Legal Issues regarding Venture Capital Funds in Developing Countries."

193. Phase II of the project was designed during 2001, but implementation did not begin during that year as donor funding was still being sought. A Business Forum on the Role of Venture Capital Funds for the Least Developed Countries took place in February 2001. Its general conclusion was that despite the difficulties involved, this initiative is worthwhile and could be a feasible proposition as a private-public partnership.

2. Investment Policies and Capacity building

(a) International investment agreements: Capacity building for developing countries for international investment agreements

194. ***Development context:*** Discussions and negotiations of IIAs at the bilateral, regional and multilateral levels have proliferated in recent years, providing new momentum to the involvement of developing countries and economies in transition in discussions and/or negotiations concerning IIAs. These discussions require that all parties be thoroughly familiar with key issues and concepts concerning IIAs, especially their development dimension.

195. ***Objectives:*** The prime objective of UNCTAD's work in this area is to help developing countries and economies in transition to participate as effectively as possible in international discussions on

investment rule-making, be it at the bilateral, regional, plurilateral or multilateral level. This reflects the need for greater information, transparency and proper economic and legal analysis of this subject. More specifically, UNCTAD's work aims at consensus-building and seeks to help developing countries to deepen their understanding of issues, explore the range of problem areas, identify interests, and ensure that the development dimension is understood and adequately addressed.

196. ***Features:*** Main activities are centred on training and capacity- and consensus-building seminars and workshops based on UNCTAD's Issues in International Investment Agreements series. Looking at the core elements of IIAs from a development perspective, this series has established a standard working tool for negotiators from developed and developing countries alike. Other main activities include facilitation services for the negotiation of bilateral investment treaties and double taxation treaties involving developing countries, and advice to regional organizations with regard to the formulation and/or modernization of existing investment regimes. The third pillar of this work programme consists of capacity building through the engagement of civil society and private-public sector dialogue events. This element consists of a series of seminars and workshops conducted for non-governmental organizations. The objective of these seminars/workshops is twofold. First, they aim to familiarize representatives of civil society with current issues related to IIAs and to the work of the relevant intergovernmental machinery. Secondly, they provide a forum for an exchange of views between civil society and policy makers.

197. ***Output/results:*** With regard to research and analysis activities, several new titles in UNCTAD's Issues in International Investment Agreements series have been published. The main purpose of this series is to address concepts and issues relevant to IIAs and to present them in a manner that is easily accessible to end-users.

198. *Publications*: In 2001, UNCTAD published a number of IIA series booklets, including: Environment (February), Social Responsibility (April), Host Country Operational Measures (June), Illicit Payments (August), Home Country Measures (August) and Transfer of Technology (November).

199. Prior years' publications include: Transfer of Funds (December 2000), Flexibility for Development (October 2000), Employment (May 2000), Taxation (May 2000), Taking of Property (February 2000), Lessons from the MAI (December 1999), Trends in IIAs – An Overview (December 1999), National Treatment (July 1999), Fair and Equitable Treatment (June 1999), Transfer Pricing (March 1999), Scope and Definition (March 1999), Most-Favoured-Nation Treatment (February 1999), Investment-Related Trade Measures (January 1999), FDI and Development (January 1999), and Admission and Establishment (January 1999).

200. *Symposia and training:* A number of such events were organized for national policy-makers in 2001. The focus of training courses was on particular regional parameters and issues that have been developed through IIA research and analysis. An intensive training course for French-speaking countries took place in Alexandria, Egypt, in June 2001, with 21 participants. Later in the year, another such training course took place for Asian English-speaking countries in New Delhi, India, in November 2001. It was attended by 20 participants.

201. *Bilateral investment treaty (BIT) negotiations:* The UNCTAD secretariat has launched an initiative aimed at helping developing countries strengthen investment cooperation among themselves. Part of this initiative is to give developing countries and particularly LDCs an opportunity to negotiate BITs. The UNCTAD secretariat has organized several such rounds since early 1999. In January 2001, two rounds of BIT negotiations were held in Geneva; one for Kyrgyzstan with other countries, resulting in 3 BITs, and another for LDCs also with other interested countries, resulting in 41 BITs. Another round of BIT negotiation took place at the request of the Government of Croatia in Dubrovnik in April 2001. During this round, eight BITs were concluded amongst participating countries. Finally, a round of BIT negotiations was organized for a group of LDCs in Bonn, Germany, in October 2001, resulting in 13 BITs.

(b) Investment Policy Reviews

202. ***Development context***: Investment Policy Reviews (IPRs) provide developing countries with an external tool to assess how they stand today in attracting FDI of the right kind in consonance with stated national objectives, and incorporating a medium- to long-term perspective on how to respond to emerging regional and global opportunities. IPRs critically examine investment policies and ensure their relevance and effectiveness in terms of attracting FDI and ensuring that economic benefits are maximized.

203. ***Objective/features***: IPRs encompass the following: (a) an examination of the country's objectives and competitive position in attracting FDI; (b) an audit of the country's FDI policy framework and administrative structures and procedures; (c) a survey of firms to obtain investor perceptions and experiences; (d) a round table meeting of stakeholders to discuss preliminary findings, policy options and recommendations; and (e) a presentation in appropriate intergovernmental and international forums whereby other Governments and private sector representatives can familiarize themselves with the country's investment environment and policies.

204. ***Outputs/results***: In 2001, IPRs of Peru (Spanish version), and Ecuador were published, IPRs of Tanzania and Ethiopia were completed, and IPRs of Botswana, Ghana, and Zimbabwe were in progress. Four IPRs (Mauritius, Ethiopia, Peru, Ecuador) were discussed at the meeting of the Commission on Investment, Technology and Related Financial Issues that took place in February 2001 with the active participation of senior decision-makers from the countries concerned. In those countries, authorities have initiated concrete actions to implement the recommendations contained in IPRs. Follow-up technical assistance has been requested and the ensuing advice and training are expected to reinforce the policy actions being taken.

205. ***Results*** by countries are as follows:

206. *Ecuador:* The review addressed institutional, organizational and strategic issues in the FDI regime that hinder the country's ability to attract investment. The review was examined by the Commission on Investment, Technology and Related Financial Issues in February 2001. The Government of Ecuador endorsed the recommendations and requested UNCTAD assistance for implementation. A follow-up programme was launched in September 2001. An investment promotion plan has been designed in consultation with stakeholders, gathered in consensus-building meetings. A "bottom-up" approach in the elaboration of the plan has engaged stakeholders in a long-term relationship, which should facilitate programme execution. The plan was then reviewed at a Cabinet meeting chaired by the President, and finally approved by the national council on export and investment. Since then, the trade and investment promotion agency CORPEI has been integrated as external member of the Cabinet on economic issues, allowing for enhanced presence and visibility of the investment programme implemented by the agency and UNCTAD. Among the actions envisaged by the plan are: strengthening of the national FDI promotion system, reduction of country risk perception, building of country image, establishment of an FDI information system, improvement of sectoral competitiveness, project development in strategic sectors, support to privatization and concession, and execution of promotional activities, including pre- and post-investment services. For each activity, implementation agencies have been identified and the collaboration of other donors to the programme has been sought.

207. *Ethiopia:* The review was examined by the Commission on Investment, Technology and Related Financial Issues in February 2001. While the focus of the review is on investment policy, it also gives special attention, at the request of the Government, to local technological development and innovation-capability building. It notes the need for Ethiopia's policy analysts to think beyond a specific sector or activity and to relate their policies to the wider national system. In the case of the leather industry, for example, its effective development as a competitive and innovative sector and its attractiveness to FDI will depend on policy intervention at all levels of the value chain, to enhance linkages between producers and supporting institutions. With regard to investment policy and promotion, the review recommends that a single agency should have overall responsibility for international investment promotion activities and

negotiations in Ethiopia. The Government has endorsed the recommendations and engaged in a dialogue with the secretariat for the design of technical assistance programmes.

208. *Mauritius:* The review of Mauritius assessed the need for a focused promotional strategy and a substantial overhaul of the policy and operational framework for FDI in line with worldwide "best practice" standards. The review was examined by the Commission on Investment, Technology and Related Financial Issues in February 2001. The Government requested UNCTAD to provide further assistance to implement recommendations in the IPR, i.e. (a) to give technical support to the newly created Board of Investment; and (b) to undertake a comprehensive review of the fiscal investment incentives regime. UNDP agreed to provide support under the cycle of the County Cooperation framework for 2001-2005 and activities have been launched to review the fiscal incentives regime. A team of UNCTAD experts is working closely with a government task force.

209. *Peru:* The review focused on forward-looking strategy and on the analysis of new investment opportunities. It was examined by the Commission on Investment, Technology and Related Financial Issues in February 2001. The Government of Peru has endorsed the recommendations and requested UNCTAD assistance in several areas, including investment promotion, science and technology policies, and small- and medium-size enterprise development. A project proposal has been designed and is under consideration by government authorities.

210. *United Republic of Tanzania:* The review outlined the various measures the country has adopted to attract FDI since it liberalized its economy in the mid-1980s. A long history of political stability, demonstrated commitment to market reforms, rich natural resource endowments and geographical accessibility were some of the country's strong points for becoming an important FDI magnet in the region. The review also identified some weaknesses, which included: an inadequate infrastructure, an obsolete educational system, an ineffective science and technology support structure, overprotective labour laws, and incoherent policies and regulations. Noting the various projects and programmes currently being undertaken or in the pipeline that have been designed to address the problems, the review recommended *inter alia* the strengthening of the investment framework, the building of a dynamic enterprise sector and the mounting of a strategic investment promotion campaign. The Government fully endorsed the review, and agreed to present it at the Commission on Investment, Technology and Related Financial Issues in 2002.

211. *Zimbabwe:* The review is in progress and near completion.

212. Ongoing activities: Investment Policy Reviews are being carried out in Botswana and Ghana. The local surveys and fact-finding missions have been carried out in close collaboration with national counterparts and in consultation with stakeholders. Official written requests for Investment Policy Reviews have been received from a number of countries, including Belarus, Benin, Cambodia, Chile, Colombia, Kenya, Lesotho, Mauritania, Pakistan, Senegal and Swaziland. Follow-up to completed reviews is continuing through technical assistance and dissemination of findings and recommendations. In 2001 UNCTAD also continued follow-up work on the IPR of Uganda, where activities had started the previous year. Dissemination efforts include the upgrading of the UNCTAD website to present the reviews and information provided by the participating national investment agencies.

(c) FORINVEST

213. ***Development context:*** With the globalization of economic activities, more and more developing countries are seeking FDI. This has resulted in a proactive policy designed to maximize FDI inflows, with a view to increasing external capital/foreign exchange, exports, employment and training, technology capacity, and management and marketing skills.

214. ***Objectives/features:*** To assist developing countries in strengthening their capacity to create and manage the Policy Framework for Attracting Foreign Investment and developing an operating climate in which FDI and international business can thrive. FORINVEST provides advisory services and training

packages related to investment policy, investment legislation, investment codes, sector policies governing the participation of TNCs in specific sectors, technology transfer and mechanisms for attracting investment (such as export processing zones, industrial estates and build-operate-transfer arrangements).

215. ***Outputs/results:*** *Andean Community*. The Andean Community of Nations, comprising Bolivia, Colombia, Ecuador, Peru and Venezuela, faces a significant challenge in competing for foreign direct investment within South America. Other regional integration agreements such as MERCOSUR present additional challenges for the Community in its ability to attract and benefit from FDI. In this connection, during the reporting period, a background report on Investment promotion activities at regional level was prepared for the Andean Community countries. The conclusions and recommendations contained in the report served to underpin the preparation of the subsequent *Andean Investment Promotion Strategy Report*. It is envisaged that the implementation of a joint investment promotion strategy for the Andean region countries will strengthen their position as an attractive and profitable investment destination. The report will be based on a survey of Andean IPAs and TNCs with a view to defining a viable action plan for the formulation and implementation of a regional investment promotion campaign.

216. *Djibouti*. A mission to examine the existing business code and provide recommendations on ways in which it could be strengthened was dispatched to Djibouti in January 2001. It organized a working group consisting of UNCTAD experts, representatives of the private sector and other members of civil society in Djibouti to identify areas in the current business code that could be reinforced with a view to facilitating additional investment in the country. During the mission, UNCTAD was requested to provide assistance to Djibouti's newly created investment promotion agency – l'Agence Nationale pour la Promotion de l'Investissement – in "best practice" investment promotion and investor targeting techniques.

217. *Jordan*. In 2001, UNCTAD continued the technical cooperation project aimed at encouraging the development of Jordan's mining and minerals (including oil and gas) sectors. A study entitled: *Legal and Fiscal Regime for the Mining and Mineral Sector in Jordan*, with its supplement "Revised Recommendations, Forecast of Fiscal Effects and International Comparisons," was completed in 2001. The study begins with a summary of fiscal reforms recommended in the Background Report and Recommendations, submitted to the Government of Jordan in May 2000. The second and third parts of the study further develop the analysis with a view to: (a) quantifying the effect upon central government revenues of implementing the suggested changes; and (b) presenting suitable international comparisons to illustrate the competitiveness of the present and proposed Jordanian fiscal systems.

218. *Saudi Arabia*. In April 2001, ASIT organized a one-day National Workshop on Investment Promotion, held at the offices of the Saudi Arabian General Investment Authority (SAGIA) in Riyadh. During the event, the UNCTAD team presented the advisory report on investment promotion and the modernization of the fiscal framework for foreign investment in Saudi Arabia. There were 25 participants attending the workshop, including SAGIA managers, senior decision-makers from Saudi Arabian ministries and private sector representatives. The outcome of the workshop included a request from SAGIA to UNCTAD to provide a three-year follow-up technical assistance project proposal.

(d) TRANSACT: Negotiating international business arrangements

219. ***Development context:*** Successful agreements in today's complex international business environment require a command of innovative financial techniques and sophisticated legal and fiscal structures, as well as expertise in a variety of other disciplines.

220. ***Objectives:*** To assist governments (and the private sector) in developing countries and countries with economies in transition in tackling the whole range of issues that arise in their negotiations with foreign investors, especially transnational corporations.

221. ***Features:*** TRANSACT provides advisory services and training packages related to investment projects, sectoral regimes, construction contracts and joint ventures, as well as to related technology transfer, finance and taxation issues.

222. ***Outputs/results:*** In 2000/2001, components of the TRANSACT programme were implemented in the Solomon Islands, the Government of which was assisted in obtaining information about a company with which it has been negotiating an important agreement, and in the Gambia, the Government of which was assisted in obtaining a model agreement in the electric power distribution sector.

(e) STAMP: Strengthening and Streamlining Agencies concerned with Maximizing and Promoting FDI

223. ***Development context:*** In an environment of increased liberalization, countries have been adopting a very proactive policy of maximizing FDI flows, subject to the terms and conditions that prevail in a given environment.

224. ***Objectives:*** To developing countries and economies in transition in strengthening their investment institutions, especially investment promotion agencies (IPAs), streamlining their modes of operation and approval processes, monitoring the quantity, quality and impact of inflows, and promoting their host country as attractive locations. Special attention is being given to the institutional strengthening of IPAs in Africa and investment promotion efforts for the African region.

225. ***Features:*** STAMP provides advisory services and training packages relating to: (a) the setting up of an investment promotion agency from scratch or clarifying the identity, role and powers of existing institutions; (b) establishing effective one-stop agencies; (c) procedures and practices that could be employed in encouraging and evaluating FDI inflows; (d) the development of an information system capability to both effectively register/record inflows and assess the impact on employment, taxation, balance of payments, training and technological development, and backward and forward linkages; and (e) the setting up of information systems, organizing promotional visits and promotional material (including brochures) and arranging investment round tables. UNCTAD is developing a training curriculum on investment promotion and investor targeting, so as to establish the new strategy for capacity building in investment promotion in developing countries and economies in transition.

226. ***Outputs/results:*** Components of the STAMP programme in 2001 have been implemented in Brazil and Egypt. Furthermore, UNCTAD was involved in a number of regional and interregional initiatives and in the work of the World Association of Investment Promotion Agencies (WAIPA). The cases described below exemplify how the programme was implemented.

227. *Albania.* UNCTAD has been providing technical assistance in the field of FDI promotion to the Government of Albania since 1994. The project has assisted the officials of the Albanian investment promotion agency in developing effective organizational and investor targeting skills. One of the main promotional activities carried under the project was the organization of a major international investment conference in Tirana, which was sponsored by the Albanian Economic Development Agency in cooperation with UNCTAD and UNDP. UNCTAD also provided support to other investment promotion activities, such as organizing a promotional mission of high-level Albanian government officials to the United States. In 2001, the last activity under the project – *The Investor Targeting Strategy for Albania* study – was prepared. The study looked at Albania's potential as an FDI destination, and explored ways in which this potential could be further developed. The analysis focused on targeting market-, resource- and export-seeking FDI, and offered concrete recommendations on ways of identifying and effectively promoting foreign investment in Albania by qualified TNCs.

228. *Bolivia.* In 2001, the organization and start-up of the investment department within CEPROBOL (Bolivian Investment Promotion Programme) were undertaken. The department was staffed by experienced investment promotion professionals who were trained in modern IPA organizational and investment promotion skills and information management techniques. In this connection, a number of

promotional materials and information documents were developed. Also in 2001, investment promotion missions were organized to Canada, Chile, Colombia and Argentina. UNCTAD also assisted CEPROBOL officials in the development and implementation of an Internet-based information system to facilitate investment in Bolivian forestry companies. The objective of the system is threefold: (a) facilitating contacts between Bolivian companies and foreign investors; (b) offering a common platform to all Bolivian entities involved in investment promotion in the forestry sector; and (c) providing a basis and methodology for CEPROBOL's investment promotion work. Finally, the project provided direct assistance to potential investors considering investment in Bolivia. Services ranged from ad hoc provision of information (contacts, statistics, information on legislation) to assistance with complying with local authority investment procedures, including the organization of site visits to local investment opportunities and facilitation of meetings with potential host partners.

229. *Brazil*. Within the framework of the UNCTAD training curriculum on investment promotion and investor targeting, two workshops were conducted on investor targeting in Brasilia in December 2001. The workshops were attended by the focal points for investment promotion of 26 Brazilian States, and trained a total of around 60 participants. The workshops were designed to strengthen the capacity of the Investment Promotion and Technology Transfer System (SIPRI) created by the Brazilian Ministry of Foreign Relations (MFR). These activities form part of a comprehensive technical assistance programme for the MFR, which might also be extended to the Ministry of Planning and the newly created National Investment Promotion Network – *Investe Brazil*.

230. *Ecuador*. Work was started on drafting the national investment promotion plan. A total of seven workshops (each numbering about 10-15 participants) have been organized by UNCTAD and Ecuador's - Corporación de Promoción de Exportaciones e Inversiones (CORPEI). The workshops provided for consultations between representatives of the private sector, academia and government officials on the scope, objectives and activities envisaged by the investment promotion plan. The plan was presented at the meeting of the UNCTAD Commission on Investment, Technology and Related Financial Issues in January 2002 and was favourably commented upon by delegations. The project also assisted CORPEI in preparing the investment input into the National Competitiveness Agenda and launching the initiative at a national workshop that was attended by 250 participants from the private sector and high-ranking government officials.

231. *Egypt*. UNCTAD, within the framework of the new strategy for capacity building in investment promotion in developing countries, organized in May 2001 in Cairo, Egypt, the third workshop on attracting investment to Egypt for middle- to senior-level diplomats posted abroad. The workshop aimed at (a) sensitizing Egyptian diplomats to the potential developmental role of FDI; and (b) providing training on investment promotion and investor targeting techniques. The workshop consisted of two smaller, back-to-back workshops – one aimed at middle-level diplomats – and the other at senior-level diplomats. It was conducted in cooperation with the Egyptian Ministry of Foreign Affairs and the Institute for Diplomatic Studies. In the light of the experience gained from two earlier workshops, held during 2000, the training curriculum had been adapted to focus on the role that a global network of embassies can play in attracting FDI to the country. This event also served to validate the training package that was developed by ASIT, based on UNCTAD's TrainForTrade methodology, and adapted to the target population of diplomats.

232. *World Association of Investment Promotion Agencies (WAIPA)*. In 2001, UNCTAD continued to support WAIPA, by hosting its secretariat and coorganizing its various training activities, as well as the WAIPA annual conference. The Sixth Annual WAIPA Conference (WAIPA VI) was held in Geneva February 2001. Delegates from 109 countries (including 44 heads of IPAs), as well as numerous representatives of international and multilateral organizations, attended the three-day event. The Conference's main theme was the promotion of outward investment – mainly from developed countries – and the services offered by outward investment agencies. The Conference was held in parallel with the meeting of UNCTAD's Commission on Investment, Technology and Related Financial Issues, which discussed the same topic, including best practices therein, and those factors that can improve the effectiveness of outward investment promotion programmes.

233. WAIPA offered in 2001 several training workshops. The "Techniques of Investment Promotion Using the Internet" were presented through a series of MIGA-WAIPA workshops held in Uganda, China and Jamaica. A total of 44 participants from 17 countries attended these workshops. The MIGA-WAIPA workshops surveyed new developments in the use of information technology in investment promotion, and explored such areas as: how to formulate an effective IPA information technology strategy, how to identify and select appropriate investment tracking computer software, and how to develop an IPA Intranet connection. The workshops also covered strategies for IPAs to create effective and investor-friendly websites and conduct on-line research. The next workshop of this series is being planned for Cameroon in 2002.

234. Also in 2001, WAIPA organized jointly with UNCTAD a Regional Workshop on Investor Targeting which took place in Kingston (Jamaica). This workshop surveyed the international best practice in targeting foreign investors and was aimed at senior-level IPA officials. The presentations covered such topics as corporate decision-making for international projects, investor targeting and benchmarking, and networking strategies for investment promotion. The other training activity was WAIPA's Event Management Training Workshop, which was hosted by the Fiji Islands Trade and Investment Board in Fiji. This workshop discussed the techniques of effective investment, and show and fair organization, and was the first in a series of two training activities to be organized on this topic. This event was also WAIPA's first training activity funded with private sector contributions.

(f) STIPs – Science, Technology and Innovation Policy Reviews

235. ***Development context:*** The purpose of Science Technology and Innovation Policy Reviews is to enable developing countries to evaluate the efficiency of their main institutions and mechanisms contributing to development, particularly through facilitating technological development of enterprises. By enriching the knowledge of how these policies are designed and applied, the reviews help countries improve their policies, while at the same time opening up opportunities for greater international cooperation.

236. ***Objectives:*** The STIP review is intended to facilitate effective integration of science and technology policies with development planning through, *inter alia*, establishing constructive dialogue between different agencies responsible for technology, investment, agriculture, trade, education and related issues with a view to building up and strengthening local technological capabilities and resources. In examining such issues, the STIP reviews aims at enhancing the policy-making capability of Governments with respect to innovation and strengthening the technological infrastructure.

237. ***Features:*** At the invitation of the relevant authorities, the UNCTAD secretariat carries out a brief programming mission in the participating country and jointly with the local authorities designs the content and the guidelines of the country's background report. Following the completion of the background report by the national authorities, a small team of international experts carries out an independent evaluation of the country's science, technology and innovation (STI) conditions and policies. Subsequently, the international review teams prepare a brief evaluation report, with the secretariat acting as a rapporteur, containing their own assessment of the STI system in the country and suggesting appropriate policy options. Finally, a round-table meeting is held in the country itself between the international experts, the secretariat and the key local players in the STI to discuss preliminary findings, policy options and recommendations.

238. ***Outputs/results:*** In 2001, the STIP/Investment Policy Review of Ethiopia was completed and published in the early 2002. While the focus of this report is on investment policy, it gives special attention, at the request of the Government of Ethiopia, to local technological development and the process of innovation and their implications for investment and competitiveness. The report (a) briefly examines the recent policy changes in Ethiopia and the factors that determine its potential as an attractive location for FDI; (b) reviews the investment policy of Ethiopia and the recent trends in FDI flows, their sectoral and regional distribution and the institutional arrangements for attracting foreign investment, specifically, it reviews the potential for improving productivity and attracting investment into Ethiopia's

agricultural sector through technological changes and innovation; (c) examines the potential for enhancing investment and innovation among SMEs in Ethiopia; and (d) presents the conclusions and policy recommendations. Also in 2001, a proposal for a STIP review of Peru was prepared and submitted for funding, and a request for STIP review was received from the Islamic Republic of Iran.

(g) Facilitating Foreign Direct Investment in Least Developed Countries: A Multi-Agency Technical Assistance Programme

239. ***Development context:*** The importance of private investment in stimulating and supporting economic growth has increased significantly, relative to official development assistance, over the past decade. However, the flow of FDI to developing countries has been uneven, concentrated in a handful of countries in Asia and Latin America, but failing to reach significant segments of the African and poorer Asian populations. This programme aims to design and implement a coordinated effort to increase the level of foreign direct investment (FDI) flows into LDCs and to maximize the benefits generated by FDI by strengthening the policy, legal and institutional framework for investment and improving investment promotion capabilities in the pilot LDCs.

240. ***Objectives/features***: Multilateral development organizations have placed strong emphasis on working with public and private sector leaders to address inadequacies in the policy framework and operating environment for FDI, and some success has been achieved in stimulating policy reform with some resulting investment. However, up to this time, the work of these organizations has taken place largely independently. This programme notes that significant impact may be achieved with a coordinated approach by the key providers of advisory services and technical assistance. In this, it aims to build on the relative competencies of participating agencies in providing effective capacity building to programme countries. The main actors are UNCTAD, UNIDO, MIGA and the Foreign Investment Advisory Service (FIAS) of the World Bank Group. The agencies involved have agreed to a collaborative approach in their areas of expertise:

- UNCTAD deals primarily with global investment and helps countries increase FDI flows and benefit from them through its technical assistance programme on investment, including policy advice, capacity building and networking;

- UNIDO addresses FDI within the context of capacity building for industrial development, with a focus on promoting manufacturing partnership opportunities through its international network of Investment and Technology Promotion Offices;

- MIGA focuses on increasing FDI flows through its advisory and capacity building technical assistance, information dissemination activities and political risk insurance activities;

- FIAS focuses on the policy, legal, regulatory and institutional environment for FDI, and is broadening the scope of its work to include competition policy, corporate responsibility and the diffusion of best practices, all within the context of FDI.

241. In order to help LDCs become effective players in the market for foreign investment, participating agencies envisage a programme of advisory services and capacity building activities, targeted to a selected group of LDCs. The programme was launched as a pilot project, initially focusing on four LDC countries, and was announced at the Third Conference on the Least Developed Countries, held in Brussels in May 2001. The selected countries are those in which one or more of the collaborating agencies have an existing or recent body of work. In implementing the programme, participating agencies will provide advice and services to cover the full range of policies and activities needed to create an attractive environment and promote inward FDI, including:

- Advising and assisting Governments with regard to establishing a policy environment generally supportive of FDI inflows, not just financial capital, but also technology, intellectual property, and know-how;

- Supporting the development of a competitive legal and regulatory framework for FDI;
- Making recommendations on the establishment of appropriate administrative vehicles to regulate the entry and operation of FDI;
- Building the capacity of the management and staff of institutions promoting FDI inflows to provide information and facilitation services to investors, and to serve as effective policy advocates to government, on the basis of their experience with investors;
- Helping FDI promotion agencies develop effective general and sector-specific targeting strategies and implement successful image building initiatives, when appropriate;
- Supporting initiatives that promote the exchange and dissemination of best practices in attracting and retaining FDI.

242. To ensure that technical assistance and advisory services delivered to the target countries are demand-driven and responsive to client country needs, assistance and advice to be provided will be tailored to the specific situation and needs of the country. To facilitate this approach, one or more of the collaborating agencies will conduct a needs assessment along with the supporting diagnostics, which will serve as the underpinning of the specific elements of the work programme to be agreed with the client country. From this assessment, a tailored set of objectives, scope of work, implementation plan and anticipated outcomes will be established, and a detailed cost estimate and programme schedule will be prepared.

243. Particular attention will be directed to the monitoring and evaluation of the work effort and the results generated, since it is hoped that this programme will influence and assist the participating agencies as they provide technical assistance and advisory services in the future. As currently planned, an outside evaluator will be contracted for this purpose.

244. ***Outputs/results***: In 2001, the participating agencies undertook an inventory of all their activities in the target countries. The agencies also agreed that the respective inter-agency teams would prepare an in-depth analysis for each of the target countries, identifying the needs for technical assistance, to be followed by an implementation plan. The following is the progress of implementation for each of the country programmes.

245. *Cambodia*. UNCTAD will undertake an investment policy review as soon as funds are available. The activities will be closely coordinated with FIAS, which has undertaken some work in Cambodia. Cambodia has also included certain FDI activities in its pro-poor trade strategy. In addition, Cambodia participated in a round of negotiations of bilateral investment treaties, which was organized by UNCTAD in October 2001 in Bonn, Germany. Furthermore, experts from Cambodia participated in an intensive training seminar on international investment agreements that took place in India in November 2001. UNCTAD organized, in cooperation with UNDP and the Ministry of Commerce, a seminar presenting the *World Investment Report* 2001. The event was designed to address the needs of policy makers and took place in October 2001.

246. FIAS has assisted the Government in preparing a revision of the investment law and assessed the revenue implications for different scenarios being considered by the Government under proposals to amend the investment incentives regime. The Government is expected to decide on the proposals before November 2001. Discussions are under way to undertake an administrative barriers study and to assist the Government in strengthening its investment promotion function.

247. In September 2001, UNCTAD and FIAS met in Geneva to discuss future activities and an implementation plan, which will eventually combine the coordinated activities of all agencies.

248. MIGA delivered a multi-component capacity building programme in 1999 and 2000. This programme included components focusing on investment promotion skill training, marketing materials development, establishment of IT systems and the development of an electronic information delivery capacity through a website. Cambodia is experiencing problems in maintaining its website and MIGA will replace the infrastructure of this site with a more modern infrastructure, which will be easier to maintain and update.

249. UNIDO is carrying out a pre-investment study for the Angkor Wat Tourism Centre and provided support to an ESCAP regional workshop on industrial project preparation and management in Phnom Penh in October 2001.

250. *Mali.* UNCTAD undertook a mission to Mali in July 2001. During this mission, consultations were held with government institutions, including the Centre National de Promotion des Investissements (CNI) and the private sector. Local and foreign companies operating in gold mining, construction, energy and small-scale manufacturing were interviewed. On the basis of the mission's findings, a technical assistance project was developed and discussed with the authorities during an UNCTAD mission to Mali in January 2002. Experts from Mali participated in an intensive training seminar on international investment agreements, which was organized for francophone countries in Alexandria, Egypt, in June 2001.

251. UNIDO, as part of its ongoing Integrated Programme, conducted in July 2001 a training course on investment project formulation and appraisal. It is currently finalizing a portfolio of investment projects for promotion, with a focus on food processing, textiles and mechanical engineering.

252. *Mozambique.* The UNCTAD/ICC Investment Guide was published in January 2002. Mozambique participated in a round of negotiations of bilateral investment treaties, organized by UNCTAD in October 2001 in Bonn, Germany.

253. MIGA is continuing its work on the preparation of a major strategic planning and capacity building, and investment promotion programme for the tourism sector. This programme has been presented to donors and is currently under consideration. It is cooperating with the investment promotion centre on a range of activities, including modern tools for promoting FDI, web development, a contract tracking system and the management structure of the centre. In September 2001 MIGA assisted a donor appraisal of the tourism project and in October undertook a mission to agree with the investment promotion authorities on the content of future support for the investment authorities. It was agreed that the programme would make provision for:

254. Assistance in developing terms of reference, selection and supervision of consultants to consumer price index, including a three-year business plan, review of the founding statutes and governance of the agency, recommendations on an appropriate budget structure for the agency, and an acceptable and realistic funding structure.

255. *Uganda.* UNCTAD agreed with the Uganda Investment Authority (UIA) that the core activities will be developed around the support programme for the Big Push Strategy (BPS). In this connection, UIA has requested UNCTAD to provide institutional support to the different government ministries involved in the implementation of the BPS. It has also requested assistance with the negotiation of international investment agreements. In this respect, Uganda participated in a round of negotiations of bilateral investment treaties, which was organized by UNCTAD in October 2001 in Bonn, Germany. After its successful participation in that round, Uganda participated in a round of double taxation treaty negotiations, which took place in New York in February 2002.

256. In July 2001, the UNCTAD/ICC Investment Guide was launched in Kampala with the assistance of MIGA. In December 2001, UIA conducted, with the support of UNIDO and UNCTAD, a national workshop for managers of public companies on the development of client charters and on customer care to improve services to domestic and foreign investors. In July 2001, UNCTAD also started the implementation of the EMPRETEC programme.

257. A MIGA/WAIPA regional workshop on investment promotion through the Internet was organized in July 2001 in close cooperation with the UIA, in which representatives of several African LDCs participated. The opportunity was taken to discuss with the UIA management possible areas of support to the agency. A follow-up mission to undertake a needs assessment of the agency and identify capacity building needs was initiated in October 2001. In addition, UIA was equipped with a modern computer-based contract tracking system, with associated training and configuration.

258. UNIDO, through a part of its Integrated Programme, supported the participation of three UIA staff in the "Familiarization Programme for Officials of IPAs" in Malaysia in August 2001. Its ongoing investment promotion programme further includes country promotion tours, the placement of delegates at UNIDO Investment and Technology Offices (ITPOs), and specific matchmaking support rendered by the UNIDO Investment Promotion Unit established on the premises of the UIA. A survey of existing foreign investors was conducted jointly with UIA in late 2001 (183 companies contacted) as an input for the launch of the UNIDO-Africa IPA Network. A total of 23 half-day UNIDO/UIA/UNCTAD workshops on customer care related to domestic and foreign investment were conducted in December 2001 for senior professionals and management staff, with the aim of developing "client charters for public agencies".

259. Future support to the UIA will include the promotion of specific investment opportunities through close interaction with UNIDO ITPOs and affiliated bodies, with emphasis on Egypt, France, Malaysia, China, United States, Canada, India, the United Kingdom, Germany, Sweden, Denmark, the Netherlands, South Africa and Kenya. The UIA capacity to provide advisory and information services to both Ugandan and foreign enterprises will be strengthened. In early 2002, UIA delegates will be placed in the UNIDO ITPOs in Italy and France, and in the Asia-Africa Investment and Technology Promotion Centre in Kuala Lumpur.

260. *United Republic of Tanzania.* UNCTAD has completed an Investment Policy Review for the United Republic of Tanzania. A national workshop on the IPR was scheduled for March 2002. Further UNCTAD involvement in the Tanzanian programme will be determined by the recommendations of the IPR. The country participated in a round of negotiations of bilateral investment treaties, which was organized by UNCTAD in October 2001 in Bonn, Germany.

261. MIGA has facilitated a review process for the tourism sector involving both the public and private sectors to identify investment obstacles in the sector. In September the second stakeholder workshop for the tourism sector was held, designed to secure agreement between the private and public sectors on key activities to be undertaken to promote the growth of the sector. This process was expected to culminate in an investor conference in April 2002.

262. MIGA is also assisting the two investment promotion agencies – Tanzania Investment Centre (TIC) and Zanzibar Investment Promotion Agency (ZIPA) – in strengthening their capacity. The implementation of the programme started in mid-2001. In September 2001 new computer-based contract tracking systems were installed in the two investment promotion agencies. In addition, progress was made in developing new on-line information tools to assist these two agencies in presenting investor information to prospective investors.

263. Future work in support of the TIC is expected to focus on the integration of the new website and Client Tracking System more fully into the operations of the agency, helping TIC to initiate a body of work to identify sources (industries) for new investment in the United Republic of Tanzania, and training and coaching in investment information, investor outreach and information dissemination.

264. UNIDO has prepared a portfolio of investment projects, which is being promoted through delegates, missions and incoming tours of business groups organized by the delegates. UNIDO has also contributed to UNCTAD's Investment Policy Review. Phase II of UNIDO's investment promotion support under the ongoing Integrated Programme is being prepared taking into account the services offered by the different agencies in the multi-agency initiative. There are three teams of UNIDO-trained

national staff visiting domestic enterprises in regions outside Dar-es-Salaam to prepare more profiles for a second round of promotion. A survey of existing foreign investors is also under way.

265. FIAS has finished the first draft of the report on " FDI and Competition Policy". The report is being reviewed by the World Bank Group and the IMF.

(h) Virtual Microfinance Market

266. ***Development context***: Micro-credit, micro-savings and micro-insurance are essential support services to enable poor people to trade and take part in the mainstream economy. It is estimated that there are in the world around 500 million micro-entrepreneurs and about 7,000 institutions specializing in offering financial services to micro-entrepreneurs, called micro-banks or micro-finance institutions (MFIs).

267. ***Objectives/features***: The Virtual Microfinance Market (VMM) is an information exchange system designed to facilitate interactions between MFIs, private investors, Governments and other participants in the microfinance market. It is being developed by UNCTAD, under the guidance of an Advisory Board, and in the framework of a technical assistance project being financed by the Government of Luxembourg.

268. On its Internet site, the VMM provides contact and financial information on MFIs willing to mobilize commercial funding ("demand"); information on the legal and regulatory conditions of investment in these MFIs and links permitting direct contact with regulatory authorities of each country ("environment"); contact data on investors and financial intermediaries and information on conditions attached to past or current offers ("supply"); and access to sources of knowledge, technical advice and training on state-of-the-art techniques and tools for improving MFIs' financial management and access to capital markets ("knowledge"). The VMM is accessible free of charge to all its members, i.e. duly registered information providers.

269. ***Output/results***: Creation of the Virtual Microfinance Market (VMM), a portal to commercial microfinance conceived as a collaborative platform for the main actors of the microfinance market: microfinance institutions (MFIs, also called micro-banks), networks, ratings agencies, investors and Governments. A "one-stop" system for investment in Microfinance, the VMM gathers on a single website information on investment opportunities in microfinance ("demand"), investors ("supply") and investment conditions ("environment"). It presents investment opportunities in close to 100 MFIs (with consolidated assets in excess of $2 billion and needs for equity and debt financing estimated at $200 million). Another 200 microbanks are expected to join the market in the coming five years; external financing needs in five years should amount to $1.5 billion.

270. It is envisaged that the existence of the Internet-based VMM market will permit microfinance institutions to obtain commercial financing more easily and facilitate and accelerate the rationalization and professionalization of the sector, and significantly contribute to the emergence of the microfinance industry worldwide. In a nascent industry where everybody is simultaneously a competitor and a potential ally, strategy must be based on an integrated perspective on the entire sector. The VMM is a key tool for such a global perspective. It provides a unified vision of the microfinance industry and a platform for constructive interaction between all its actors. It is generally agreed that a loan of $500 can create at least one job. Therefore, for every $1 million invested in microfinance 2,000 jobs are created or maintained in developing countries. Ten million dollars permit the creation of 20,000 jobs.

3. Technology and Enterprise Development Branch

(a) Entrepreneurship and SME Development: EMPRETEC and Mediterranean 2000 programmes

271. ***Development context:*** Small and medium-sized enterprises (SMEs) cannot grow or compete in the global economy because they lack access to markets, finance, technology and managerial skills. In

developing countries, many SMEs use traditional, low-productivity technologies. They serve local markets with low-price and often low-quality products. They invest little in training or in upgrading quality or productivity. Often owing to lack of capital and initiative they have no access to foreign technologies that would enable them to compete internationally. Limited availability of technology and capital, poor information on foreign markets and transnational networks, and inadequate institutional support are characteristics of most SMEs in developing countries.

272. Enterprises without access to timely and accurate information on markets and trade opportunities are simply unable to compete in modern economies. But technology acquisition is hampered by the small size of most firms and lack of the local capacity and skills required to select, acquire, adapt and assimilate technologies. But an even more widespread handicap facing SMEs is poor access to long-term financing both credit and equity. In developing countries, where capital tends to be scarce, they face four major obstacles: SMEs are considered high-risk; banks are geared to dealing with large corporate customers rather than small businesses: banks find it hard to evaluate the creditworthiness of a new SME because of lack of accounting records or other financial information; and the small size of the loans rarely makes SMEs lending a profitable business if transaction costs and risks are high.

(i) EMPRETEC

273. ***Objectives/features***: The main objective of the EMPRETEC programme is to contribute to the development of a dynamic private sector by growing SMEs via strengthening entrepreneurs. Its unique feature is the creation of a national institutional framework that provides training, business services and networks through a "one-stop shop". Main beneficiaries are SMEs, entrepreneurs with potential, women entrepreneurs, key country institutions and Governments.

274. ***Outputs/results:*** *Meetings:* International EMPRETEC Directors Meeting, with the participation of 26 directors and business counsellors representing 19 EMPRETEC country programmes. Main issues discussed: new management information system, performance indicators criteria, new products and services (Agrotec programme, Intrapreneurship programme, TNC-SME linkages programme, women entrepreneur programme, specialized follow-up services, e-commerce) and revision/adaptation of "core" methodologies, including training-of-trainers scheme (Geneva, November-December 2001).

275. *Training:* EMPRETEC Entrepreneurship Training Workshops (ETW). UNCTAD's role is to co-ordinate, promote and organize workshops, contract trainers and follow up on quality and participant satisfaction. In this context, UNCTAD is directly involved in seven countries (El Salvador, Ethiopia, Guatemala, Morocco, Mozambique, Panama, Uganda). Eighteen workshops were co-organized for 540 selected entrepreneurs/firms. In 2001, an EMPRETEC workshop on intrapreneurship for large public and private companies, offering training to Ethiopian and Zimbabwean EMPRETEC staff on the transfer of methodology, was held in Harare (Zimbabwe) in November (see table 1).

276. It is important to highlight the fact that EMPRETEC transfers its methodologies to the counterpart institution in all the countries where the programme becomes operational. UNCTAD/EMPRETEC works with national institutions rather than individual entrepreneurs. Moreover, UNCTAD/EMPRETEC continuously identifies innovative "best practices" or new services that can be added to those already offered by the programme (Phase V).

277. EMPRETEC programmes in South America:

278. *Brazil:* EMPRETEC/UNCTAD has coordinated South-South cooperation with SEBRAE activities. EMPRETEC Brazil is helping EMPRETEC/UNCTAD with the installation of the programme in the Lusophone LDCs. Enterprise training workshopsand follow-up services were implemented in Mozambique during 2001 by SEBRAE.

Table 1: Summary of progress in the EMPRETEC model installation
(Status April 2001)

EMPRETEC project phase	Countries
Phase I: Request for an EMPRETEC project and initial discussions	Algeria, Angola, Azerbaijan, Benin,(1) Burkina Faso,(2) Cameroon,(2) Cambodia, Cape Verde, Cuba, Egypt, Eritrea, Estonia, Guinea-Bissau, Latvia, Liberia, Lithuania, Malawi,(1) Malaysia, Mauritania,(1) Mexico, Sao Tome and Principe, Thailand, Togo,(2) United Republic of Tanzania,(1)
Phase II: Programming mission, consensus with Government, identification of counterpart, drafting of project document	Bolivia, Costa Rica, Ecuador, Guyana, Honduras, Lebanon, Nicaragua, Paraguay, Peru, Russian Federation, Tunisia
Phase III: Recruitment of staff, including the Director, establishment of the Advisory Board, installation of project, initial Entrepreneurship Training Workshop	Guatemala, Jordan, Mauritius,(1) Palestinian Territory, Romania, Uganda(1)
Phase IV: Operationalization of full project, putting in place basic training and services, certification of local trainers, setting up a national association	El Salvador, Morocco, Mozambique,(2) Namibia,(1) Nigeria,(1) Panama, Senegal,(1) South Africa(1)
Phase V: Maturity of project, offering customized training and other services, progress towards financial self-sustainability, establishing of legal entity (e.g. foundation, trust)	Argentina, Botswana,(1) Brazil, Chile, Colombia, Ethiopia,(2) Ghana, Uruguay, Venezuela, Zimbabwe

(1) Through the Enterprise Africa Programme (UNDP).

(2) Through joint UNCTAD and Enterprise Africa Programme (UNDP).

279. *Argentina/Uruguay:* A general institutional agreement has been signed with the assistance of EMPRETEC/UNCTAD for mutual cooperation. Initial activity planned: the realization of 24 workshops for rural Argentinea producers, to be started beginning 2002.

280. *Chile/Uruguay:* Several mutual cooperation agreements have been formalized with the assistance of EMPRETEC/UNCTAD. During September-October 2001, EMPRETEC Uruguay assisted EMPRETEC Chile with training support. At the same time, Chile transferred to Uruguay the know-how on follow-up services.

281. *Paraguay:* A proposal from EMPRETEC/UNCTAD has been accepted by the Paraguayan Government. This includes a pilot experience with some 500 civil servants, training them to start their own firms. The project will be funded by the Inter-American Development Bank (IDB) and initial negotiations have already taken place.

282. *Colombia:* EMPRETEC/UNCTAD agreed with EMPRETEC Colombia for the development of the Agrotec Programme. This was finished and presented during the EMPRETEC Directors Meeting in November 2001.

283. EMPRETEC Programme in Central America:

284. The Partnership Agreement signed by six Central American countries, the IDB and UNCTAD during the Partners for Development Summit in Lyon (November 1998) has become operational in three countries.

285. *El Salvador/Guatemala/Panama:* Up to today 34 entrepreneurship training workshops have been conducted for 850 entrepreneurs. Also, local capacity building aspects have been taken into account: 11 EMPRETEC trainers are in the process of being certified, and 10 advisers were selected and trained in follow-up services.

(ii) MEDITERRANEAN 2000

286. ***Objectives/features:*** Mediterranean (Med) 2000 is a multi-country and multi-agency programme which brings together the products and services of a number of agencies to foster the institutional capacity to promote entrepreneurship and SME development. The central purpose of Med 2000 – a three-year capacity building programme – is to contribute to economic and social development by strengthening institutional capacity to support SMEs to grow and compete in 10 developing countries in the Mediterranean Basin and the Horn of Africa.

287. ***Outputs/results:*** *Ethiopia* (phase V): Enterprise Ethiopia was launched in December 1999. In 2000, the EMPRETEC methodology was transferred and a local capacity of trainers created. In 2001, 120 entrepreneurs were trained through five ETWs; a significant number of these entrepreneurship training activities were conducted outside Addis Ababa. New programmes and activities were developed: in cooperation with UNIDO, a capacity building programme was started for SMEs in the leather and metallurgic mechanic sector; a workshop on foreign linkages was organized; and the intrapreneurship programme was transferred by EMPRETEC Uruguay. Enterprise Ethiopia has also been involved in the transfer of the EMPRETEC methodology to Uganda.

288. *Jordan* (phase III): In 2000-2001, the national counterparts and key stakeholders were identified and a project proposal was prepared and negotiated. The Project Document for EMPRETEC Jordan was signed in January 2002 by the Ministry of Planning (the governmental counterpart), the Jordan Loan Guarantee Corporation (JLGC – the private sector counterpart), UNDP Jordan and UNCTAD. The programme director and coordinator were identified. During the first year, the programme will be implemented with seed-funding of Med 2000 and in-kind contribution from JLGC to allow the transfer of the EMPRETEC methodology. The programme will be hosted by JLGC and managed by the Board of Directors composed of 13 local partners.

289. *Morocco* (phase IV): In December 2000, the Plan of Action for EMPRETEC Morocco phase II was signed between UNCTAD and the OFPPT (*Office de la formation professionnelle et de la promotion du travail*), the national counterpart. The local programme director and the training coordinator were hired. Since 1999, EMPRETEC Morocco has organized six ETWs for 100 participants. The last workshop was organized for entrepreneurs from the leather industry in Fès in cooperation with UNIDO. In June 2001, the Moroccan Empretecos Association was founded. With the support of the Administrative Council composed of six public and private local partners, the EMPRETEC Morocco Centre is being created. The main objective in 2002 is to reinforce the local training capacity and to create and strengthen follow-up services to be offered to the beneficiaries of the programme.

290. *Palestinian Territory* (phase III): A fact-finding mission in October 1999 established the need for and feasibility of an EMPRETEC programme in the Palestinian Territory. A comprehensive background study was conducted to assess the constraints of Palestinian SME development and to identify options to implement an EMPRETEC programme. A comprehensive project document was then prepared, negotiated with key stakeholders and signed in June 2001. The counterparts are the Palestinian Banking Corporation (PBC), which is hosting the programme, and the Ministry of Economy and Trade of the Palestinian National Authority. The local director and the programme assistant were hired. The continued political unrest in the Middle East has delayed the implementation of the programme; training activities have been rescheduled for 2002, jointly with the EMPRETEC Jordan programme, to benefit from economies of scale.

291. *Uganda* (phase III): The Enterprise Uganda project is a $1.5 million project, in which UNDP, Enterprise Africa and UNCTAD cooperate. The project was announced during the LDC III Conference in

May 2001 in Brussels and launched in December 2001 in Kampala by the Minister of Finance. Staff, trainers and business counsellors were selected and offices became operational. The training of trainers was started and the post-training services were installed. Two EMPRETEC training workshops were organized in the second semester, training over 50 entrepreneurs.

(b) ACCOUNTING: ISAR – Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting

292. ***Development context:*** The use of internationally recognized accounting, reporting and auditing standards and improved corporate governance contributes to increased transparency at the corporate level. The improved transparency and financial disclosure enhances the image of countries and their businesses in the international market place as international accounting and auditing standards are being increasingly required in financial statements by foreign investors, capital markets and international financial institutions. Better transparency and improved financial disclosure in turn promote the growth and efficient functioning of capital markets, and stimulate FDI flows since they assist national and international investors with relevant information necessary for making strategic investment decisions. Moreover, they promote financial stability and reduce the cost of capital both for countries and for the corporate sector. Finally, they enable both Governments and business enterprises to better manage enterprises and the economy as a whole. Thus, accounting practices based on international accounting rules as well as good corporate governance are vital elements of economic development.

293. ***Objectives/features:*** The programme's aim is to help Governments and enterprises to formulate and implement accounting and auditing laws and standards, together with other relevant regulations according to internationally accepted accounting and auditing principles and practices. Technical assistance projects have been developed over many years on the basis of output from the consultations of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR). These are considered to be objective and suited to the needs of investors, creditors, Governments and other interested users. They are also consistent with the international standards formulated by the International Accounting Standards Committee and the International Federation of Accountants, as well as the European Union directives. The UNCTAD programme puts these international standards into a form usable for developing countries and countries with economies in transition, which have many difficulties with interpretation and implementation.

294. The programme begins with research, consensus building through intergovernmental deliberations and implementation through technical cooperation. Over 160 standard setters, regulators, academics and practitioners from approximately 47 developed, developing and countries with economies in transition participated in the 18th session of ISAR, which took place in Geneva in September 2001. The session discussed the accounting needs of SMEs. It reviewed the report of the ad hoc consultative group of experts and agreed with the general approach to accounting by SMEs suggested by the consultative group. It also requested the consultative group to continue its work to develop voluntary guidance on accounting by SMEs. All materials produced by ISAR are distributed to Governments, standard setters, academic institutions and other interested programmes.

295. ***Outputs/results:*** UNCTAD continued the execution of the EU-Tacis funded project in the Russian Federation. The project partner is KPMG, one of the large international accounting firms. The beneficiary is the Inter-Agency Committee headed by the deputy prime minister and composed of deputy heads of ministries involved in or affected by accounting reforms. The overall objective of the project is to assist the Russian Federation in developing and introducing national standards for accounting and reporting in accordance with International Accounting Standards (IAS). The goal of UNCTAD's part of the project is to draft an accounting and reporting framework applicable to Russian SMEs that should be consistent with IAS, and to provide technical supervision for drafting 10 discussion papers to be used by Russian authorities in producing new Russian standards based on the IAS. The areas for the papers were proposed by the Russian authorities and covered most fundamental issues which need priority consideration in order to bring Russian accounting and reporting into line with the requirements of international financial markets.

296. During the course of the project 10 discussion papers were produced and delivered to the beneficiary. A number of meetings were held in which official authorities, national and international experts from business and academia, and representatives of international organizations took part to discuss those documents. A study tour for a core group of the beneficiary was organized to meet with standard setters of Germany, Belgium and the European Union to discuss issues of IAS-based accounting harmonization.

297. In the course of the project it was established that SMEs are not satisfied with the current accounting environment and that there is a need for simplified accounting for SMEs. It was also found that Russian accounting for SMEs is fairly complex and that there are different definitions of SMEs provided in various Russian laws. Following consultations with Russian counterparts UNCTAD prepared a discussion paper with concrete recommendations on accounting and reporting by SMEs in the Russian Federation on topics such as the relationship between financial accounting and taxation, a definition of SMEs for financial accounting purposes in line with international practice, typical criteria applicable in the developed countries, and amendments to Russian laws and regulations governing accounting by SMEs. The main purpose of the proposals was to bring the Russian rules on accounting by SMEs closer to best international practice.

298. *Environmental Accounting (ISAR):* During 1998-2001, 11 national and regional workshops were been held in Africa, Asia, Central Europe and South America to disseminate ISAR's recommendations on environmental accounting and reporting. In March 2001 a regional training workshop on environmental accounting and reporting was held in Nairobi, Kenya. Over 70 participants, including senior executives, financial directors, environmentalists and government policy-makers from Eastern and Southern Africa, attended the workshop. One of the main conclusions was the decision by the participants to recommend adoption of the ISAR Guideline on Accounting and Financial Reporting for Environmental Costs and Liabilities in their respective countries. This was the last in the series of regional workshops carried out in the framework of the project. UNCTAD's training workshops allowed professional accountants and financial analysts in over 29 developing countries and countries with economies in transition, including over 16 professional accounting institutions, to contribute to the formulation of guidance and to receive immediate assistance in its implementation. This work had influenced thinking and regulation in developed countries, including the European Union.

299. UNCTAD completed stage one of a second project to produce standardized environmental performance indicators (EPIs) in order to link environmental performance and financial performance. Currently the guideline on eco-efficiency indicators for the preparers and users of financial statements is under development. It is intended to be a practical tool to help to measure and report more precisely environmental and financial performance. Before its finalization the guideline will be reviewed by academia, standard setters and the business community.

300. *Cooperative Initiatives to Raise the Level of Accounting and Auditing Practices (ISAR): The International Forum on Accountancy Development (IFAD):* IFAD is a recent initiative developed jointly by the International Federation of Accountants (IFAC), the World Bank and UNCTAD in close cooperation with more than 30 international public and private sector organizations that committed themselves to joint efforts and to work in partnership to improve the quality of financial reporting and auditing on a worldwide basis. IFAD's main focus is to assist accountancy development in developing and emerging market countries. This objective coincides with UNCTAD developmental initiatives in developing countries and economies in transition.

301. IFAD was launched in June 1999. Since its inception, participation has grown steadily and at present also includes representatives of intergovernmental organizations (e.g. OECD); securities, banking and insurance regulators (e.g. Basle Committee on Banking Supervision, International Organization of Securities Commissions); standard setters (e.g. International Accounting Standards Committee); regional development banks (e.g. Asian Development Bank, Inter-American Development Bank) and development assistance agencies (e.g. USAID); the preparers and users of financial statements; the regional professional accountancy bodies; and the large international firms.

302. IFAD was established to provide a response to the questions raised about the quality of accounting and auditing, especially related to financial statements used across national borders, in the aftermath of the Asian financial crisis.

303. The Forum held its fifth meeting in Washington, DC, in April 2001. All players agreed that the quality of financial information falls short of user expectations and has created an expectation gap.

304. UNCTAD is an active participant in the IFAD initiative. In March 2000 it arranged consultations with six potential pilot developing countries in Geneva to explain the vision and to obtain their feedback and critical comments about the IFAD initiative. They were invited to suggest what concrete and practical steps could be taken to make the IFAD initiative effective and useful for potential pilot countries. In 2001 two countries, Brazil and Slovakia established National Steering Committees while others are in the process of establishing them and undertaking a gap analysis in order to identify the differences between internationally accepted standards and national standards and practices. Country action plans will be developed on the basis of gap analysis.

305. As a result of its active and constructive participation in the work of IFAD, UNCTAD was invited to join an International Steering Committee (ISC) of IFAD. The ISC held two meetings in 2001, in Washington, DC, in February and in Toronto in July 2001. In addition, UNCTAD has become a member of ISC's working group. The task of the working group was to propose recommendations on permanent arrangements for the ISC chairmanship and strategies for moving forward on country action plans and the IFAD vision.

306. *International Association for Accounting Education and Research (IAAER) and Education Committee of International Federation of Accountants (IFAC EdCom):* IAAER is a 13-years-old initiative of academics and researchers in the area of accounting and finance. It is a global forum of 40 of the world's leading academic and professional associations and 800 individuals from 62 countries. They are united by the common goal of maximizing the contribution of academic accountants to the development and maintenance of high-quality, globally recognized standards of accounting practice. One of most important functions of the IAAER is to represent academics with major international standards-setting bodies in the area of accounting and audit such as the International Accounting Standards Committee (IASC) and th eInternational Federation of Accountants (IFAC).

307. *The South Eastern European Partnership on Accountancy Development (SEEPAD):* SEEPAD is another recent accounting reform initiative developed jointly by USAID and OECD in close cooperation with UNCTAD. Its objective is to promote internationally recognized standards on accounting, auditing and ethics, accountability and improved corporate governance, and to raise the standing of the region's accountancy sector, and in particular to build strong and sustainable national self-regulatory accounting and auditing bodies. It also aims to contribute to the development of training and certification programmes, and professional accountancy qualifications, help identify appropriate legal and regulatory frameworks, and increase regional and international cooperation, thus facilitating the increased inflow of FDI into the region.

308. The SEEPAD initiative is a network consisting of 14 professional accounting and audit associations, in addition to government representatives, in South-Eastern Europe. The initiative has rapidly gained international recognition and was recently selected as a flagship initiative under the EU Stability Pact. SEEPAD was launched in December 1999 in Sinaia, Romania. At the meeting, professional accountancy and audit bodies from the region and international organizations (USAID, OECD and UNCTAD) agreed on a common mission, objectives, framework and programme of work and signed a Memorandum of Understanding establishing SEEPAD.

309. At the sixth SEEPAD meeting, held in Istanbul in 2001, UNCTAD shared with participants the results of its work on financial accounting and reporting by SMEs and made a presentation on this topic.

(c) Science And Technology Diplomacy Programme: Initiation

310. ***Development context:*** It has been observed that science and technology-related issues are often at the root of many trade controversies/disputes. Successful trade negotiations therefore demand a greater understanding by trade diplomats and policy makers of the scientific underpinnings of trade issues. However, many developing countries tend to spread thinly their limited financial and human resources that deal with international diplomacy in science and technology. As a result, negotiations and discussions leading to the signing of treaties and protocols are often concluded without access to accurate and informed policy advice. Moreover, policy makers, especially from developing countries, often miss out or do not take advantage of initiatives and programmes that are designed to assist and advise them on emerging issues of science and technology.

311. ***Objectives/features:*** The main objective of the Science and Technology Diplomacy Initiative will be to mobilize scientific and technological expertise to enable developing country diplomats and representatives to participate fully and to make informed decisions on emerging issues, where science and technology play a central role, particularly in the follow-up to the WTO Ministerial Conference in Doha. This Initiative will provide training and workshops for diplomats, scientists and policy-makers from developing countries and from countries with economies in transition to assist them in international negotiations, particularly those that take place in the TRIPS Council, with respect to the Convention on Biological Diversity and to biotechnology, or in the study groups such as the WTO Working Group on Trade and Transfer of Technology.

312. UNCTAD started work on the Science and Technology Diplomacy Initiative by setting up a website within the Science and Technology for Development Network (STDev) (http://www.unctad.org/stdev/learning.htm). The Initiative now provides succinct briefs as well as detailed information on important science and technology-related treaties, protocols and international initiatives and events, including the Kyoto Protocol, the Global Digital Divide Initiative of the World Economic Forum, the G8 dot.force initiative on information and communication technologies, the United Nations ICT Task Force and, the G15 ICT Task force, as well as information on the World Summit on the Information Society. Through the Science and Technology Diplomacy Initiative and in cooperation with a network of science and technology institutions, most notably the Center for International Development at Harvard University, UNCTAD intends to provide direct support to trade negotiations and to build negotiating capacity within developing countries.

C. DIVISION ON INVESTMENT, TECHNOLOGY AND ENTERPRISE DEVELOPMENT

(In dollars)

Project number	*Short title*	*Duration*	*Source of fund*	*Total budget*	*Cumulative expenditure*	*Expenditure 2001*
Investment Issues Analysis						
MAR/97/011	Workshop of Financial Risk Management and Investment Policy Review of Mauritius	1998-2001	UNDP	63 500	64 473	3 888
INT/00/942	Strengthening of South-South Investment Cooperation	2000-2002	UNDP	287 430	216 070	-6 576
INT/93/A50	Transnational corporations and industrial restructuring in developing countries	1993-2002	Denmark	391 060	346 161	6 440
INT/94/A22	Tradability of services: impact and implications for developing countries	1994-2002	Denmark	194 000	167 631	20 446
INT/95/A14	The New Globalism and Developing Countries: Investments, Trade and Technology Linkages in the 1990s	1995-2001	Netherlands	62 071	61 661	878
INT/96/A17[a]	Transnational corporations	1996-	Germany	182 080	188 368	5 223
INT/96/A20	Policy-oriented case studies on interlinkages between foreign direct investment, trade and technology.	1996-	Netherlands, Hong Kong (China)	421 021	356 543	18 858
INT/97/A12	Feasibility studies on the creation of private risk capital funds for LDCs	1997-	Norway	135 600	102 716	5 532
INT/97/A26	Multilateral framework on investment	1997-	Multidonors	2 355 255	2 067 627	77 779
INT/98/A36	World Investment Report 1998	1998-2002	Norway	476 759	326 752	153 666
INT/98/A37	Building capacity in the least developed countries to attract foreign investment through venture capital funds	1998-	Norway	133 000	82 383	-1 863
INT/98/A40	Investment Guides and capacity building for leasted developed countries	1998-2002	Multidonors	706 665	528 015	85 865
INT/99/921	Needs assessment to attract Asian FDI investment to Africa (Phase I)	1999-2002	UNDP	300 000	235 838	69 076
INT/99/A71	World Investment Report 2000	1999-2002	Sweden	200 233	110 456	-14 150
	Total Investment Issues Analysis			***5 908 674***	***4 854 694***	***425 062***
Investment Policies and Capacity building						
ALB/93/014	Investment promotion in Albania	1994-2002	UNDP	433 000	429 216	338
BOL/99/A72	Strengthening investment promotion – Implementation of the National Investment Promotion Strategy	2000-2002	Switzerland	209 600	176 065	146 634
BOT/01/003	Investment Policy Review of Botswana	2001-2002	UNDP	65 000	42 719	42 719
DJI/00/001	Etude pour l'implantation de zones franches commerciales, industrielles et de services à Djibouti	2000-2002	UNDP	70 800	39 702	20 262
ECU/99/013	Investment policy review of Ecuador	2000-2001	UNDP	27 273	27 388	1 515
ECU/0T/1BU	Improving Ecuador's Investment Framework and designing an investment promotion plan	2001-2002	Switzerland	211 000	44 878	44 878
EGY/99/A62	Training of Egyptian diplomats in investment promotion	1999-2002	Egypt, Switzerland	79 004	47 500	7 004
GHA/00/004	Investment Policy Review of Ghana	2001-2002	UNDP	95 000	69 878	69 878
JOR/98/008	Competitiveness study and action plan on investment promotion for Jordan's minerals sector	1999-2002	UNDP	120 000	88 034	13 435
MAR/01/001	Fiscal Incentives Review of Mauritius	2001-	UNDP	134 000	94 166	94 166
SAU/00/009	Modernization of the legal and fiscal framework for foreign investment and capacity building for Saudi Arabia General Investment	2000-2001	UNDP	50 000	49 268	12 271
UGA/97/014	Investment Policy Review	1997-2001	UNDP	190 000	183 865	-2 911
URT/00/005	Investment Policy Review of Tanzania	2000-	UNDP	30 000	17 959	17 959
INT/93/A44	United Nations Trust Fund on Transnational Corporations	1993-	Multidonors	2 484 804	2 251 547	-213
INT/97/A33	Support to national investment policy reviews	1997-2002	Switzerland	200 000	187 193	660
INT/97/A44	Quick response window for ASIT	1997-	Switzerland	643 989	521 285	14 713

(for note see end of table)

C. DIVISION ON INVESTMENT, TECHNOLOGY AND ENTERPRISE DEVELOPMENT (concluded)

(In dollars)

Project number	*Short title*	*Duration*	*Source of fund*	*Total budget*	*Cumulative expenditure*	*Expenditure 2001*
INT/99/A11	Support to the World Association of Investment Promotion Agencies (WAIPA)	1999-	WAIPA	186 535	139 363	32 117
INT/99/A33	Micro-Bank	1999-	Luxembourg	709 709	422 220	201 473
INT/99/A34	Crossborder Environmental Management in TNCs	1999-2002	Denmark	96 991	45 560	-646
INT/99/A37	Support to WAIPA in providing a forum for exchange of experiences among investment promotion agencies	1999-2002	Ireland	183 398	123 194	24 950
INT/0T/0BG	Capacity building on international investment agreements	2000-	Multidonors	1 384 091	874 904	829 501
INT/0T/1CH	Capacity Building on Good Governance in Investment Promotion	2001-	Sweden	476 059	15 565	15 565
RAF/94/A38	Développement de marchés des assurances compétitifs	1994-	Luxembourg	1 309 858	1 137 634	169 211
	Total Investment Policies and Capacity building			***9 390 111***	***7 029 103***	***1 755 479***
Technology and Enterprise						
SOM/97/014	Private sector and trade development programme	1998-	UNDP	120 000	114 354	16 285
INT/89/A25[a]	Trade-related public enterprises in low-income countries	1989-	Italy	944 513	833 215	3 335
INT/96/A57	Blueprint for green accounting	1997-2002	World Bank	596 827	548 698	101 172
INT/97/A29	National policies and measures for growing small and micro-enterprises in LDCs	1997-2002	Netherlands	80 000	64 333	5 488
INT/97/A42	Enhancing public-private sector dialogue in LDCs	1999-2002	Netherlands	50 000	28 042	-1 086
INT/98/A33	Mediterranean 2000	1998-	Italy	3 471 686	1 861 057	604 350
RAF/96/014	Enterprise Africa: Strengthening SME Creation, Development and Regional Integration	1996-2002	UNDP	365 377	234 979	70 802
RAF/97/A52	Centres for Innovation and Enterprise Development (CIEDs) Pilot Phase	1997-	Canada	203 686	182 331	5 938
RLA/96/A37	Empresa y tecnología para el siglo XXI (EMPRETEC)	1996-2002	Spain	773 658	744 095	14 515
	Total Technology and Enterprise			***6 605 748***	***4 611 104***	***820 799***
	DIVISION TOTAL			**21 904 533**	**16 494 901**	**3 001 340**

[a] Project which has been "operationally but not financially completed" or "completed" in 2001.

D. Division for Services Infrastructure for Development and Trade Efficiency

1. Trade logistics

(a) Advance Cargo Information System (ACIS)

313. The cornerstone of ACIS sustainability efforts is the Maintenance Contracts. Each transport operator using ACIS is being invited to sign a maintenance contract amounting to approximately $25,000. According to the terms of the contract, each transport operator requests UNCTAD to execute a technical assistance project to maintain RailTracker throughout the network in conformity with the conditions and terms detailed in the contract. The standard contract includes a description of the activities to be undertaken in a given period and the corresponding inputs to be funded by the transport operator. Each contract also contains operating guidelines to be adhered to in order to attain RailTracker sustainability. In the COMESA subregion five railways and two ports commissioned RailTracker and PortTtracker in June 2001, effectively handling over the operational systems to the beneficiaries in Uganda, Kenya, the United Republic of Tanzania and Zambia. Subsequent to commissioning and in order to ensure the sustainability of projects, a one-year renewable maintenance contract between the beneficiary railways and UNCTAD was signed. Operators themselves fund these contracts.

314. ***Development context:*** Inefficient transport systems have a major negative impact on economic development; this results in exorbitant transport costs, delays, pilferage and eventually loss of markets for export goods or increased prices of import goods. ACIS is designed to make transport systems more efficient by providing the required information on goods and transport equipment.

315. ***Objectives/Features:*** ACIS provides operational and financial information so as to increase the transparency of the transport sector and enable management to identify problems with a view to finding solutions. The information provided to the shipper "live" gives the whereabouts of cargo, and the information provided to the operational management increases the efficiency of the network. Medium- and long-term investment planning is enhanced through the aggregate statistics and performance indicators automatically produced by ACIS.

316. The four components of ACIS respectively track cargo on rail, at ports, on lakes and/or rivers and on roads and can be installed on any relevant network. Authorized shippers can now track their cargo via the Internet on a number of railways networks.

317. ***Outputs:*** In the COMESA subregion five railways and two ports commissioned RailTracker and PortTracker in June 2001, effectively handing over the operational systems to the beneficiaries in Uganda, Kenya, the United Republic of Tanzania and Zambia. Implementation of PortTracker is being finalized in Eastern Africa; this module has now also been installed in the Islamic Republic of Iran (Bandar Abbas) and in Lebanon (Port of Beirut).

318. A Border Pass Monitoring System has been developed and commissioned for the landlocked country of Nepal to monitor road traffic at the three principal border posts with India. Similarly, for Nepal, a freight transit monitoring system has been partly developed to monitor containerized rail traffic between the Port of Calcutta and Nepal.

319. Project proposals have been prepared for the implementation of RailTracker, some with UNCTAD Partners for Development. They concern Moroccan State Railways (ONCF) under the auspices of French Railways and funded by the World Bank, Egypt (with German Railways and Siemens), the Saudi Railway Organization, the new Beit Bridge Railway in Southern Africa and Congolese Railways, the latter under the auspices of COMESA. New versions of the software have been provided to the railways of Sudan and Cameroon. A further preparatory proposal was submitted to Jordan for Port, Rail and RoadTracker.

320. Finally, with regard to RoadTracker, the ECA Centre for Land-Locked Countries in Kigali has committed funding, on behalf of Kenya, Uganda and Rwanda, to draft a proposal to install RoadTracker

on the Northern Corridor between Mombasa and Kigali for transit cargo and to "open" railway databases for Rwandan shippers.

321. ***Results:*** The Rolling Stock Information System (RSIS) funded by USAID and implemented under the auspices of the Southern African Railway Association (SARA) remained suspended during 2001 because of problems between the funding agency and the Prime Contractor. However, after successful testing of the software linking all 11 railways of the subregion, the donor has intimated that the suspension should be lifted in 2002, thus enabling the project to be completed.

322. An ongoing independent evaluation of the COMESA project, requested by the EU, already indicates very considerable cost savings attributed to the use of RailTracker in the subregion. It also indicates sizeable operational improvements: currently 66 freight forwarders, shipping lines and major shippers now consult these railways "live" by Internet to monitor their cargo.

323. With regard to the sustainability of projects, an important landmark was the signature of a Maintenance Contract between the beneficiary railways and UNCTAD for 2001 and subsequent to commissioning. These contracts are funded by the operators themselves, thereby confirming the usefulness of the system and their commitment to using ACIS to improve the efficiency of the transport sector. In effect, three Maintenance Contracts are already in force with UNCTAD and three are about to be signed.

(b) Ports, shipping and training

(i) Ports and Trade Efficiency for the Economic Recovery of Somalia and Support to Cross-Border Initiative

324. ***Development context:*** The overall objective of the UNDP-financed projects is to contribute to the peace-building process in the country by promoting economic recovery and governance for about 35 per cent of its population, which inhabits the North-West and North-East regions.

325. ***Objectives:*** The specific objectives focus on the improvement of port services to Somali traders by joint efforts of the port authorities and port communities of Berbera and Bosaso; the training of operational and administrative personnel to make those improvements sustainable; and the development of policies and strategies to foster trade in those regions, in particular developing a transit agreement with Ethiopia.

326. ***Features/outputs:*** The project Ports and Trade Efficiency for the Economic Recovery of Somalia is a continuation of previous UNCTAD interventions that started in 1993 and was scheduled to end in March 2001. It was extended twice until 30 September of the same year to ensure continuity of training activities by another project executed by UNDP. This was part of the strategy of UNDP to support the newly established Government. The project Support to Cross-Border Initiative was completed as planned at the end of December 2001. Again, follow-up of essential activities has been ensured directly by UNDP since early 2002.

327. ***Results:*** The major output of the project Port and Trade Efficiency for the Economic Recovery of Somalia was the supply of expertise to support the improvement of operating and administrative procedures in public and private bodies functioning in the ports of Berbera and Bosaso. Training continued to be carried out in 2001 with short courses lasting less than a week and long courses lasting up to six months on management, accounting and economics. Also, on-the-job and vocational training was provided to carpenters, masons, welders and mechanics. This human resource development has resulted in the two ports providing better service to users and improving the control of revenue collected.

328. A major output of the project for Support to Cross-Border Initiative was the preparation of draft laws on customs, transit procedures and licensing of freight forwarders and consignees. This was made through a consultation process between public and private sector representatives to ensure the full

transparency of the decision-making process. Workshops were conducted to this end and also to establish a negotiating strategy to foster the transit trade with Ethiopia.

(ii) Training: Capacity building for officials in modern transport management techniques through cooperation with the World Maritime University

329. ***Development context:*** The overall objective of the cooperation with the World Maritime University (WMU) is to contribute to the training of officials from developing countries to allow them to make planning and policy decisions that will improve the efficiency of their country's transport sector.

330. ***Objectives:*** The specific objectives focus on transfer of knowledge in the fields of container terminal development, equipment management, port tariffs, multimodal transport and legal aspects of transport.

331. ***Features/outputs/results:*** The activity, through the financial support of WMU, allows secretariat staff to deliver training seminars over a period of about four work weeks per year at the University in Malmo, Sweden. A total of about 50 officials from the transport ministries, shipping lines and port authorities of developing countries participate in the training each year. The officials have university degrees and in general have been working for at least five years in the transport industry. They have found the material very useful and a number of them have maintained contact with the secretariat after their graduation. This cooperation has been ongoing since the early 1990's and over 500 officials have been trained in these subjects.

(iii) Training: Strategic planning for senior shipping managers (Stratship)

332. ***Development context:*** A vital aspect of development is the ability to competitively trade in the world economy. Efficient maritime transport services are a prerequisite for reaching overseas markets, as the incidence of freight and insurance costs is particularly high for developing 'countries' exports and a decisive factor in determining the marketability of developing countries' goods.

333. ***Objectives:*** The global shipping industry is characterized by rapid technology change, consolidation of companies, large capital investments, high risk and a critical demand for well-trained management. The goals of Stratship are to improve the performance of shipping management through human resource development.

334. ***Features:*** Stratship workshops generally last three working days and are based on a mixture of presentations, case studies and a computer-based management game. The main purpose of the computer simulation is to reinforce the concepts developed in the workshop, create actual decision-making experiences and upgrade management skills in a competitive environment.

335. ***Outputs/results:*** To date 45 Stratship workshops have been delivered (one in 2001 and two in early 2002), and over 900 participant national counterparts trained. Evaluations by participants continue to be very positive. Specific comments emphasize the usefulness of the training in strategic planning activities, increasing competitiveness and improving communication and staff motivation.

(c) Transport and trade facilitation

336. ***Development context:*** Seller and buyer in a domestic trade transaction benefit from a unique (national) trade environment in which they both know the conditions and limits of trade and transport systems supporting their transaction. In an international trade transaction, the seller's and buyer's respective environments might be quite different, thus generating unnecessary, time- and resource-consuming barriers.

337. In the areas of transport and trade facilitation, UNCTAD's technical cooperation activities aim at establishing a favourable domestic environment for international trade transactions, based on effectively

implemented international instruments, recognized best commercial practices and common standards. These activities recognize the critical importance of border-crossing points, which are key locations where discrepancies between buyers' and sellers' domestic trade environments are being exacerbated.

338. A vital aspect of development is the ability to trade competitively in the world economy. Efficient transport services are a prerequisite for reaching overseas markets, as the incidence of freight and insurance costs is particularly high for developing countries exports and a decisive factor in determining the marketability of developing countries' goods.

339. UNCTAD's technical cooperation not only identifies the required improvements to the physical features of existing transport networks, but also proposes specific actions to make the best use of available trade- and transport-related assets, eliminating wherever possible any barrier that might increase the transaction costs and create unnecessary delays. This includes improving the performance of transport operators and auxiliary services, changing the commercial behaviour of traders, harmonizing administrative and commercial procedures and documents, and introducing innovative relations between public institutions and transport providers and users of international trade and transport.

340. ***Output/results/impact:***

341. ***Nepal: Promotion of trade and transport sectors.*** In early 1998, His Majesty's Government (HMG) of Nepal initiated the implementation of a $28.5 million infrastructure development project. To complement this development project and secure the best use of the future installed capacity, HMG requested UNCTAD to execute a technical assistance project aimed at the promotion of the trade and transport sector of Nepal. The foreseen duration of the project was 36 months. The project's conclusion is planned for the end of 2002.

342. The principal development objective of HMG's Multimodal Transit and Trade Facilitation Project is to reduce transport costs associated with Nepal's imports and exports. A second set of project objectives aim at streamlining trade and transit procedures and at improving the efficiency and organization of transit trade documentation and data exchange. This includes the modernization of the customs clearance process at the three border points with India. The project has been structured into three components: the Multimodal Transport and Trade Facilitation component, the ACIS component and the ASYCUDA component.

343. By early 2001, the construction of the Inland Clearance Depot (ICD), located at Birgunj, was completed. To initiate operations, two closely linked issues had to be tackled: one related to the selection of a Terminal Management Company (TMC) to operate the ICD; the other was the settling of transit agreements between HMG and the Government of India, covering railway operations/services between Indian ports and the ICD and border-crossing procedures. HMG entered into an international tender for a TMC, but this tender was delayed because negotiations on transit agreements could not be concluded.

344. As a result, UNCTAD's activities related to the marketing of ICD services and to the final installation of ACIS had to be suspended, subject to the conclusion of these agreements, while the implementation of ASYCUDA continued as programmed. In order for UNCTAD to complete its activities, it was therefore decided to extend the agreement between HMG and UNCTAD up to the end of 2002.

345. ***Pakistan: Promotion of trade and transport sectors.*** The Pakistan Trade and Transport Facilitation Project (TTFP) was designed as a follow-up to an earlier UNCTAD-executed project (1994). This project was financed by the Government of Pakistan (GoP) through a World Bank loan. The project document was originally signed between the GoP (Ministry of Commerce) and UNCTAD in 1999, and the World Bank loan was granted only in the spring of 2001.

346. UNCTAD's project activities started in late August 2001 with the posting in Karachi of the Chief Technical Advisor and Human Resources Development Expert. However, owing to the events of 11

September and the consequent UN travel restrictions, the first missions to Pakistan of both international consultants and UNCTAD staff could only be arranged in mid-January 2002 and the TPR and PMW meetings were held in February 2002.

347. In view of the October 2002 legislative elections, the project activities were refocused and reprioritized, and the project implementation time frame was accelerated, at the request of the GoP.

348. The impact of the project on the Pakistan trade and transport sectors would be the improvement of Pakistan's competitiveness in international trade through simplified export and import documentary procedures, modernization of related legislation and the creation of a national capacity to solve in an expeditious manner potential problems between the transport users and providers and the public sector.

349. ***Economic Cooperation Organization (ECO): Introduction of international multimodal transport operations in the ECO region.*** UNCTAD initiated, jointly with ESCAP, a project on Multimodal Transport and Trade Facilitation for the Economic Cooperation Organization (ECO) member countries. This project is being implemented within the framework of an initiative to strengthen cooperation between the ECO and UNCTAD in building capacity in the area of trade efficiency and cooperation. The joint ECO/IsDB/ESCAP/UNCTAD execution started in 2001 with the proposal of the draft terms of reference for national consultants. The trade facilitation component is financed by the Islamic Development Bank.

350. Moreover, UNCTAD had earlier contributed to the execution of the UNDP-financed regional project RAS/97/760 (Support to ECO Member Countries in Trade Efficiency and Economic Cooperation). As an output, the project identified opportunities for cooperation between ECO member States and UNCTAD in the field of trade and transport facilitation and in the reform and modernization of customs procedures. On the basis of the needs assessment, UNCTAD and ECO have formulated a full-scale programme of technical assistance. This proposal is still under consideration by the participating countries.

2. The ASYCUDA Programme

351. ***Development context:*** The efficiency of the customs administration is an essential part of a country's good governance policy. Customs departments have a wide range of responsibilities, including assistance to the Government in dealing with national, regional and international policies associated with revenue collection and the combating of fraud. They have also to control the import of prohibited and restricted goods and to provide external trade data for government analysis and planning. For a variety of reasons many administrations are unable to comply with their responsibilities and many areas are often neglected or poorly dealt with.

352. ***Objectives:*** The main objective of the Automated System for Customs Data (ASYCUDA) programme is the modernization of customs, including automation of the process for clearance of goods. One of the ways in which it aims to achieve trade facilitation is by speeding up this clearance process through the use of information technology and the reduction and simplification of customs documentation and procedures. It has also the objective of increasing State budget revenue through the computerization of the customs tariff, thereby automatically calculating duties and taxes. As a complementary, but nevertheless important, by-product of processing customs data, a further aim is to provide reliable and timely trade and fiscal statistics data to assist Governments in their economic planning and publication of trade results.

353. ASYCUDA technical assistance projects are established for implementation in the shortest possible time and within the specific institutional and environmental context of each administration. Project implementation activities include a comprehensive training package that allows the transfer of ASYCUDA know-how and skills to national staff, thus ensuring that the programme can be sustained by the national administration.

354. ***Features:*** ASYCUDA++ is a computerized customs management system covering the whole clearance process, from (and prior to) the arrival of the goods until their ultimate release after payment of duties and taxes. The system manages all types of procedures, such as import and export, as well as all other customs regimes, including transit and warehousing. It has been designed to take into account international codes and standards established by ISO, WCO and the United Nations. It is EDIFACT-compliant, thus allowing for the electronic exchange of data. The system has the required features expected from a modern customs system, based on risk management and including manifest control, transit, declaration processing, accounting and selectivity. It provides traders with a module that provides for the direct input of declarations, as well as an interface to permit the electronic data exchange between customs and approved third parties, such as banks, the trader community or other government agencies.

355. ***Implementation strategy:*** The ASYCUDA Implementation Strategy has been developed and refined on the basis of more than 15 years' experience. Most of the new projects do not involve initial first implementation of the system but relate to upgrading of the system from the former release to ASYCUDA ++; these are defined as migration projects.

356. Initial implementation projects are structured in three phases to ensure a low-risk, cost-effective approach that provides for national long-term sustainability. The first, pre-installation phase requires an assessment of the current state of customs procedures, including legal aspects, tariffs and infrastructure. If necessary the update of the legal environment is recommended. In the second phase, the system is configured in accordance with national regulations. This phase, also known as the prototyping of the system, is followed by installation in one or two selected pilot sites, where the national configuration, the legal environment and the updated procedures are tested, together with the training of staff and the trading community. In the third phase the system is extended country-wide to the other customs offices.

357. The first two phases take approximately 18 months and the final phase between 6 and 12 months, depending on resources and the number of sites to be installed.

(a) ASYCUDA++ migration projects

358. As part of the programme initiative, it was decided to continue assisting ASYCUDA users in upgrading to the latest release of the system, ASYCUDA++. This system offers enhanced functionality and modern architecture, improving the efficiency of customs and preparing the trade community for a modern environment open to e-commerce. Five migration projects started during 2001, while the programme is currently facing a continuing number of requests for migration.

359. Migration projects include the same phases as those described above for the initial implementation of the system, but the process can be shortened as the recipient administrations are already used to computerization and fewer efforts are needed to install the new system.

360. ***Impact, output and results:*** The impact of ASYCUDA projects can be assessed by various institutional and trade facilitation benchmarks, including increased revenue, improved trade facilitation and shorter clearance times, and the availability of reliable trade statistical data. Some projects are more successful than others. An important factor is the willingness to change and the commitment and full support of the Government. Certain projects do not realize the full benefits of automation mainly because of resistance to the institutional and procedural reforms that the programme requires.

361. In 2001 there were more than 50 operational ASYCUDA projects with expenditures totalling $5,408,947. The ASYCUDA programme remains the largest technical cooperation programme within UNCTAD, encompassing over 80 countries and 4 regional projects. Also in 2001, new projects were signed and commenced in Albania, Botswana and Gabon, while migration project starteds in Benin, Burkina Faso, Cape Verde, Mauritania and Niger.

362. ***Project evaluation:*** Post-implementation reviews and audits are part of normal ASYCUDA project activities. Independent evaluations including representatives form UNCTAD, WCO and other customs

administrations are commonly undertaken. The latest external evaluation of an ASYCUDA project was done during 2001 in Yemen. The report indicated that the customs automation project had been very successful, with the objectives of the project being fully met.

363. The evaluation team considered the project suitable as a model for replication elsewhere, assuming the necessary dedication of senior customs officials and the Government. On the basis of the findings and recommendations of the report, the donor is prepared to support the project for a second phase to build upon and maximize the potential benefits of the system.

364. ***Programme information:*** In June 2001 a meeting was organized at the WCO offices in Brussels for the European ASYCUDA user countries. This meeting focused on the compliance of the system with the EU requirements for accession. The meetings were well received and provided an excellent opportunity to meet with participants and exchange ideas and views regarding the impact of e-commerce on customs and the trading community.

365. Discussions also took place to ascertain the need and determine the requirements for enhancing and strengthening the presence of the UNCTAD technical support staff in the various regions. With the increasing number of countries migrating to ASYCUDA++ and the demand for technical support and training on a regional basis, consideration is being given to providing support in the regions in a faster and more cost-effective way. Three centres are currently operational in Asia, the Pacific and Central and Western Africa. It is expected that new regional centres will be created in Latin America, the Caribbean and the Middle East. The strengthening of the existing regional centres in Africa, in cooperation with the ECOWAS and COMESA secretariats, is on the way in order to transfer the know-how and skills for ASYCUDA++ to local staff, thus facilitating and improving maintenance and support to the national projects.

(b) ASYCUDA website

366. ASYCUDA' s homepage www.asycuda.org provides a comprehensive overview of the system, a presentation of its functionality and of the benefits to be expected by the Governments concerned. The public website offers the latest news in terms of customs computerization, and country-related information, editorial and pictorial, of the ASYCUDA projects worldwide. It also has links to the organizations working in the customs domain such as the WCO and WTO. A secured area, the ASYCUDA Community, access to which is restricted to the user countries, contains technical and functional information relating to the system as well as discussion groups.

3. Information and training

(a) Capacity building on key issues on the international economic agenda

367. ***Development context*:** The ability of developing countries and countries with economies in transition to meet global economic and trade challenges depends on their enhanced capacity and improved understanding of key trade and development issues.

368. ***Objective/features:*** The objective of the project is to strengthen the human resource and institutional capacity in developing countries and countries with economies in transition so as to enable these countries to (a) gain a better understanding of the interrelated issues in the areas of trade, investment, finance and technology; (b) enhance local and regional training capacity in these areas; (c) participate as effectively as possible in discussions and negotiations on these issues; (d) establish the basis for a continuous and systematic form of training and capacity building at the international, regional and national levels and a network of expertise in developing countries and countries with economies in transition on these issues.

369. ***Output/results:*** The first training course under this programme took place, in Geneva and the United Nations staff college in Turin, in June-July 2001. Participants from eighteen counties participated

in this course. One observer from the Wholly See also participated in the course. The course intended to enhance the capacity of officials and other individuals from the participating countries to identify issues, and approaches adopted in their treatment, in the current trade negotiations, in particular those with development dimension, as well as increasing the awareness of the diverse policy and other conditions necessary for attaining competitiveness and participating effectively in the current global economic environment.

(b) Human resources development

370. ***Development context:*** The terms of foreign trade and its potential to grow depend on well-run trade-supporting services, which depend in turn on competent staff and officials to run them and coordinate performance at the community level. Human resources development (HRD) is essential for improving these services and enabling the opportunities provided by globalization to be seized. HRD in trade-supporting services is a key to growth.

371. ***Objectives/features:*** UNCTAD seeks the application of HRD policies for trade-supporting services and the establishment of local training capacity to provide the training and organizational change that such policies require. This is achieved through programmes for the creation or strengthening of local training institutions that will conduct their own capacity building to rigorous standards using modern technology and South-South cooperation for the most effective development of training capacity and programmes. Assistance to local training institutions to become more professional and to collaborate through networks is cultivated in two main areas: foreign trade and investment promotion within the TrainForTrade Programme, and the maritime and port issues within the TRAINMAR and the Port Certificate Programmes. Capacity building through these programmes is extended and supported by initiatives of the secretariat, described elsewhere, to provide communities with training of general interest through one-off training events or the distribution of model training materials.

372. ***Output:*** Further to delivery of training through traditional methods, distance-learning tools were developed and have been incorporated in the Port Certificate, TRAINMAR and TrainForTrade training programmes. Pilot exercises in distance-learning training have been implemented and a new strategy for training in distance-learning delivery mode has been developed. It takes into account the existing technical capacities, means and possibilities in developing countries. When analysing these elements it has become evident that implementation of distance-learning training courses should consider specific solutions for each country, and combine various training techniques according to the particularities of the beneficiary countries.

(i) TRAINMAR

373. A training package was prepared. It consists of a CD-ROM, a hard-copy module-by-module Study Guide, a CD-ROM giving instructions on how to use Power Point, the TRAINMAR Training Development Guidelines and two books – 500 Tips for Open and Flexible Learning and Multimedia Computing.

374. Participants from Argentina, Colombia, Egypt, Georgia, India, Nepal, Malaysia, Papua New Guinea, the Philippines, Romania, Sri Lanka and Thailand attended the course via the Internet and participated in the validation workshop which took place in February 2001 in the APEC-Antwerp/Flanders Port Training Centre (AFPTC). This workshop was unique in that its participants came from all over the TRAINMAR network to tackle for the first time the subject of distance learning.

375. During the period concerned, an independent team undertook an in-depth evaluation of the TRAINMAR Programme. Conclusions and recommendations were presented in September to the thirty-eighth session of the Working Party on the Medium-term Plan and the Programme Budget (TD/B/WP/144). The evaluation reflected shortcomings as well as valuable elements and contributions made. It stressed that, in implementing its recommendations, account should be taken of building upon the valuable aspects of the TRAINMAR Programme. The Working Party endorsed the recommendations

and the termination of the TRAINMAR programme in its current form, and the merging of its valuable components under one umbrella became effective at the end of September 2001.

376. In order to take into account the conclusions and recommendations adopted by the Working Party on the TRAINMAR programme, a number of national and regional TRAINMAR projects have been closed. Those projects which allow the integration of new training activities in the field of ports will be kept open and redefined accordingly into the Port Training Programme (see Indicative Plan document, TD/B/WP/152, p. 15).

(ii) UNCTAD Port Management Certificate

377. ***Development context***: Ports need to deal with a number of disparate activities ranging from movement of ships, loading and unloading of cargo to allocation of warehouse space. The efficient management of a port involves mastery of these various activities and training is essential to develop the human resources required for these tasks.

378. ***Objectives:*** Training of middle managers allows them to gain a global understanding of port management in each sector of the port's activities and to acquire skills to perform different functions effectively.

379. ***Outputs/results:*** In April 2001 an independent evaluation of the pilot Port Certificate project was carried out for the port communities of Benin, Gabon and Senegal where the Port Certificate was implemented. Results demonstrated the importance of such a project, which gathers together participants from the public and the private sectors, for port communities needing to upgrade the knowledge of middle managers. The extension of the pilot Port Certificate project to additional port communities was recommended. It is expected that a project will began in Guinea and Togo, where UNCTAD carried out in 2001 training needs analysis missions.

380. A three week "Training of Trainers" seminar took place in September 2001 in Ghent, Belgium, for French-speaking African countries. Participants, who were managers of port enterprises, came from Benin, Cameroon, Comoros, Guinea, Morocco, Togo and Tunisia. A three-week "Training of Trainers" seminar was also organized in Cape Verde in November 2002 for middle managers from port communities of Portuguese-speaking countries, i.e. Angola, Cape Verde, Guinea-Bissau, Mozambique and Timor. Both seminars covered the second part of the Port Certificate course, which consists of six weeks over a period of two years.

381. *Distance learning.* As of 1 October 2001 a pilot exercise is being undertaken in Geneva, Marseille, Senegal and Comoros for the delivery in distance-learning mode of the Port Certificate training course to three participants based in Senegal and five based in Comoros. Trainees have been provided with a CD-ROM, a user's guide, a participant's manual, videos and, a day-by-day detailed working plan. Consultations with the instructor are made through an Internet forum once or twice a week.

(iii) TRAINFORTRADE

382. ***Development context:*** The capacity building training programme of TrainForTrade seeks to strengthen and improve State-owned and private institutions in developing countries which are involved in international trade and trade-related services.

383. ***Outputs/results:*** The West African countries of Benin, Mali and Burkina Faso were the beneficiaries of a TrainForTrade project for strengthening training capacities in international trade. In the context of a subregional project for strengthening training capacities in these countries several activities have been undertaken. In February 2001, the first delivery of the course "Analysis of the effects of international trade policies with a global model" was held in Benin for policy makers, executives and other social actors from Benin and Mali. A workshop on "Multimodal Transport for Top Policy Makers" was organized in Bamako in July 2001 for participants from Benin, Burkina Faso and Mali.

384. Concrete proposals in the form of deliverables for projects relating to human resources development and capacity building for the LDCs were submitted to the thematic session on "Human Resources Development and Employment" at the Third United Nations Conference on the Least Developed Countries (LDC-III), held in Brussels in May 2001. These include technical assistance project proposals for the reinforcement of HRD and capacity building in the field of international trade and services structures in Togo, Guinea, Comoros, Madagascar, Cambodia and the Lao People's Democratic Republic. Activities focus on the evaluation of training needs analysis in each country, the development of training courses and the evaluation of train effectiveness.

385. In July 2001 a cooperation activity was initiated between UNCTAD (TrainForTrade) and ILO for the implementation of a joint training programme aimed at mainstreaming trade issues and fundamental principles and rights at work into development policy. The cooperation comprises the design, preparation, organization and delivery of a training session to be held in 2002 on the basis of common pedagogical material being developed.

386. *Training needs assessment.* Preliminary study missions were undertaken in February 2001 to Conakry (Guinea) to identify training needs in international trade; in March/April 2001 to Phnom Penh (Cambodia) and Vientiane (Lao People's Democratic Republic); and in April 2001 to Lomé (Togo)

387. *Distance learning.* A first experiment on a *distance learning training cycle* was held in November 2001, during four half-days sessions over a period of one month, on e-competition law and policy. Pedagogical material was specifically prepared for this delivery. It comprised a participant's manual, a user's guide, a CD-ROM with multimedia presentations, videos and case studies adapted to local situation. Thirty high-level officials (ten from Benin, ten from Burkina Faso and ten from Mali) were trained simultaneously. This preliminary seminar is to be followed in 2002 by a traditional seminar held in Burkina Faso where participants, selected from the previous distance learning exercise, will receive in-depth training.

(c) The Trade Point Programme

388. ***Development context:*** The Trade Point Programme is the operational component of UNCTAD's Trade Efficiency Initiative, which aims to increase the competitiveness of the disadvantaged players in international trade by helping them to reduce their transaction costs. As such, it both draws on and provides useful feedback/empirical evidence to the analytical and intergovernmental work conducted by the Division. The initiative, in addition to the simplification and harmonization of trade procedures, puts special emphasis on the use of modern information technologies in international trade.

389. ***Objectives:*** The main objective of the Trade Point Programme is to facilitate the participation of small- and medium-sized enterprises (SMEs) in international trade, in particular those located in developing and least developed countries, by applying the most advanced information technologies. Using the services of Trade Points, companies get access to trade-related information and global information networks, as well as advice on how to trade internationally, and hands-on experience with electronic commerce. The Global Trade Point Network (GTPNet), a worldwide Internet-based network interconnecting all Trade Points, provides companies with enhanced international visibility on the web, as well as access to the global system of trade leads operated by the World Trade Point Federation, namely the Electronic Trading Opportunities (ETO) system.

390. ***Outputs/results:*** In its activities with regard to the Trade Point Programme in 2001, the secretariat focused on the implementation of decisions taken by UNCTAD member States, namely the new Trade Point Programme strategy of September-October 1999 (TD/B/WP/120; TD/B/WP/120/Add.1), the provision in the UNCTAD X Plan of Action regarding the Trade Point Programme (TD/386, para. 158), and the decisions of the September 2000 Working Party on the Medium-term Plan and the Programme Budget (TD/B/47/L.4). The main thrust was to build the capacity in the Trade Point community to take over the Programme and to advance as much as possible with the Programme's externalization.

391. In this regard, the main ***outputs/results*** during the year were as follows:

(i) Strengthening of the World Trade Point Federation

392. In order to create conditions for a full transfer of the Programme within the time frame agreed, as requested by the member States (TD/B/47/L.4, para. 14), the secretariat paid special attention to the enhancement of the self-management capacity of the Trade Point community. This translated into assistance to the World Trade Point Federation (created in November 2000) to become fully operational so as to be able to take over the Programme from UNCTAD. In addition to the provision of secretarial services for the Federation, this assistance included support, including funding, for the development of a strategic business plan for the Federation that was finalized in October 2001. The objective of the plan was to prepare the ground for the Federation to enter into negotiations with strategic partners that should be instrumental in expanding the level of services for Trade Points and SMEs and in generating revenues to sustain the operations of the Federation. The Federation has been officially registered and its Steering Committee has shown a high degree of commitment to the progress of the Federation. In addition to working via phone, e-mail and the Internet, its members held three meetings in Geneva (February, September and November 2001).

(ii) Adoption by the Trade Point community of a strong mandate for the World Trade Point Federation

393. An important step in the externalization process was the discussions and deliberations of the Second General Assembly Meeting of the World Trade Point Federation/Seventh World Trade Point Meeting (Geneva, November 2001). The General Assembly unanimously adopted the institutional, strategic and operational frameworks of the Federation. These include the final version of statutes and internal rules of the Federation, its strategic business development plan and an operational plan for the year 2002, as well as general principles of cooperation within the Trade Point community. Such a framework is crucial for the Federation since it provides it with a strong mandate for its future work, in particular with regard to the establishment of strategic alliances with the private sector and international organizations. The ultimate objective of these efforts is to enhance the capacity of Trade Points to provide local SMEs with new value-added services, which would allow them to participate more effectively in international trade. The success of the meeting was largely due to the active participation of a large number (46) of Trade Points that reaffirmed their commitment to the Federation. Immediately after the General Assembly Meeting, the Federation started to implement the operational plan for the year 2002 by launching a call for expressions of interest in the ETO system, and starting the development, thanks to the support of ITC, of its own website. This website is intended to become a daily working tool for Trade Points and their clients to facilitate their trade activities and business operations.

(iii) Strengthening of regional cooperation

394. At the regional level, UNCTAD continued supporting regional associations of Trade Points. In addition to the already existing Inter-American Trade Point Forum, an Africa Trade Point Initiative was launched in August 2001, and regional Trade Point Forums were set up in Asia (November 2001) and the Arab countries (December 2001). All these regional initiatives have defined objectives, which they wish to attain for the benefit of their members and client SMEs, and elaborated work programmes required to achieve them. This represents an important step towards closer cooperation among the Trade Points for the purpose of strengthening commercial ties within and ultimately also among the different regions.

(iv) Externalization of the ETO system

395. As specifically mandated by UNCTAD member States (TD/B/47/L.4, para. 12), the secretariat completed the process of transfer of the ETO system to a suitable non-profit entity. Since Trade Points, during consultations at the Sixth World Trade Point Meeting (Geneva, November 2000), expressed their collective commitment to take over the ETO system, a decision was taken to transfer the ETO system to the World Trade Point Federation. This transfer took place in May 2001. Since then, the Federation has

been operating the system using the infrastructure and expertise in Trade Points Madrid and Castilla La Mancha in Spain. The number of ETOs has been constantly increasing following the transfer of the system.

(v) Transfer of the intellectual property rights of the Trade Point Programme to the World Trade Point Federation

396. In line with the externalization strategy adopted by UNCTAD member States, UNCTAD officially transferred in November 2001 the ownership of the names, trademarks and logo of the Trade Point Programme to the Federation. The objective was to enable the Federation to launch the process of filing applications for the protection of intellectual property rights of the Programme worldwide.

(vi) Capacity building

397. Owing to the lack of extrabudgetary funding in UNCTAD, it was not possible to develop and deliver the courses envisaged in the strategy. The secretariat has nevertheless co-organized capacity building activities (trade information and electronic commerce workshops) for Trade Points using the resources provided by the International Trade Centre UNCTAD/WTO. Three events of this type took place in 2001, namely in New Delhi (April 2001), St. Petersburg (June 2001) and Cairo (November 2001). In addition, the first UNDP/UNCTAD training workshop for Asia/Pacific Trade Points was held in Geneva (November 2001). These activities have contributed to the building of capacity in Trade Points to offer trade information services to local business communities, and provided the participants with guidance and advice on the establishment of their Trade Points.

(vii) Consolidation of the Trade Point Programme membership

398. With regard to the development of Trade Points during 2001, the objective was to consolidate the membership of the Programme and continue working only with Trade Points that are truly committed to their participation in the Programme. Consequently, the share of operational Trade Points increased from 42 to 66 per cent of the overall membership during 2001. However, the progress was more limited in less developed countries, where the establishment of a Trade Point is subject to the availability of funding under technical cooperation projects and where UNCTAD could not respond to the expressed needs owing to the lack of extrabudgetary funding. At the end of 2001, there were 120 Trade Points at various stages of development in 81 countries of the world. The Americas had the highest number of Trade Points (36, including 19 in the operational stage), followed by Europe (30 and 17, respectively), Africa (20 and 9), the Arab countries (19 and 13) and Asia/Pacific (15, out of which 8 operational).

4. Electronic commerce

399. Pursuant to United Nations General Assembly resolution 53/220, UNCTAD's activities concerning electronic commerce have been financed from the Development Account.

400. ***Development context:*** Electronic commerce promises considerable potential benefits to developing countries, from the perspective of both consumers and business. It is expected to continue to expand and represent a considerable and increasingly growing share of world trade. The participation of developing countries in e-commerce has been, up until now, quite limited. To a large extent, solutions to these problems need to be provided by the developing countries themselves. However, international organizations, including UNCTAD, donor agencies and foreign investors, can play a decisive role in assisting the developing countries.

401. ***Objectives:*** The objective is to strengthen the capacity of developing countries, including least developed ones and also countries with economies in transition, to promote e-commerce as a means of lowering transaction costs in production and in the exchange of goods and services.

402. ***Output:*** In 2001 the following activities were delivered:

(a) Development and maintenance of information exchange and policy analysis frameworks

403. An annual report entitled "Electronic Commerce and Development Report 2001" was published in November 2001. It covers a wide range of themes relating to electronic commerce. Emphasis is placed on providing information of particular relevance to developing countries in order to assist them in their efforts to make greater use of information and communication technologies (ICTs) and the Internet.

404. At the Third United Nations Conference on the Least Developed Countries (Brussels, May 2001) a parallel event – "Digital Economy" – was organized. Its main objective was to assist the least developed countries in getting greater access to ICTs and gaining the benefits therefrom. Examples of LDC entrepreneurs that had benefited from ICTs were presented. A number of international institutions and individuals involved in ICT programmes also made presentations. For the purposes of the event, consultants collected background information and data, and resource persons were engaged to speak at the Conference.

(b) Analyses of the effects of internationally adopted documentary standards and business practices for electronic commerce

405. The following studies were undertaken by consultants as inputs into an annual publication – *E-Commerce and Development Report 2001*:

(a) Measuring electronic commerce;

(b) Overview of selected legal and regulatory developments in electronic commerce;

(c) Managing payment and credit risks on-line;

(d) E-commerce in the least developed countries;

(e) China's ICT strategy and e-commerce.

406. An expert prepared a report examining the potential of Internet-mediated finance (e-finance) in providing cheaper, faster and more widely available finance for SMEs in developing countries. The report was part of an issues paper for the Expert Meeting on Improving the Competitiveness of SMEs in Developing Countries: Role of Finance, including E-Finance, to Enhance Enterprise Development, October 2001.

407. Resource persons participated in that Expert Meeting. It highlighted the considerable impact of the Internet on the development of financial services. There was an extensive exchange of views and experiences regarding the development of on-line payments, Internet banking, e-trade finance and e-credit insurance. The discussion and agreed recommendations focused on the application of these services to the needs of SMEs, especially in developing countries and economies in transition.

(c) Expert assistance and advice provided to Governments on policy issues relating to trade facilitation and e-commerce

408. UNCTAD co-sponsored with the United Nations Department of Economic and Social Affairs and participated in an international symposium on network economy and economic governance in China (Beijing, April, and Ningbo, April 2001). At both venues substantive advice was given to government and other officials on legal and regulatory issues of e-commerce and e-finance.

409. In cooperation with the Government of Uruguay, a national seminar on e-commerce was held in Uruguay in June 2001. Over 40 experts and representatives from other international organizations such as

WTO and WIPO participated. The object of the seminar was to familiarize government officials and civil society in Uruguay with policy, legal, regulatory and economic issues and business practices in e-commerce from a developmental perspective.

410. Advice to Governments in the form of presentations and substantive participation was offered by UNCTAD staff members at the following e-commerce seminars, workshops and conferences:

(i) International conference on emerging markets, Kuala Lumpur, January 2001;

(ii) E-business and development conference, Cairo, February 2001;

(iii) OECD conference on emerging markets, Dubai, January 2001;

(iv) Conference on Ethiopia in the information age, Addis Ababa, June 2001;

(v) ASYCUDA regional meeting for Eastern Europe, June 2001;

(vi) 14th Bled e-commerce conference, Bled, June 2001;

(vii) ITU regional seminar on information society and electronic commerce, Moscow, July 2001;

(viii) World Services Congress and WTO Seminar – Beijing and Hong Kong (China), September 2001;

(ix) MERCUSUR/European Union Business Facilitation Conference – Buenos Aires, Argentina, November 2001;

(x) Regional Seminar on E-commerce, Asia Pacific Telecommunity – Bangalore, India, November 2001.

411. A consultant conducted an internal training workshop on the legal aspects of electronic commerce (November 2001).

(d) Results/impact

412. UNCTAD's publication *E-Commerce and Development Report 2001* has received a considerable number of positive press reviews around the world. At the ITU Preparatory Workshop for the World Summit of the Information Society in December 2001 the publication was praised as a major initiative in the area of electronic commerce. Also, the number of downloads of the publication on the Internet has been impressive, demonstrating the great demand that exists for studies and publications on e-commerce. The report provided evidence of the potential role of e-commerce for development, especially in specific sectors and activities such as finance, tourism and trade facilitation. The material contained in the publication and the knowledge accumulated from other activities carried out by staff will be used in two regional seminars planned for 2002 – one for the Caribbean and Central America in June and the other for Asia towards the end of the year.

413. The activities undertaken provided continued support for UNCTAD's work on electronic commerce by Governments and civil society. Following the symposium in China and the seminar in Uruguay, UNCTAD was requested to provide assistance in expanding its activities in awareness raising as well as implementing projects such as establishing an e-tourism portal in Uruguay.

414. The "Digital Economy" event at the Third United Nations Conference on the Least Developed Countries in May 2001 demonstrated that opportunities for e-businesses exist even in LDCs, provided that an enabling environment is created. This lesson provides clear proof of the feasibility of promoting e-

commerce in developing countries. It has also helped developing countries themselves to recognize that e-commerce is a powerful tool for development.

415. In the course of exchanges at the events and meetings that were organized during the year it was demonstrated that developing countries continue to lag far behind other countries in participating in e-commerce. They highlighted the major areas where policies and strategies need to be developed, in particular issues relating to infrastructure and access, the liberalization of ICT-related services, human resources development, the development of relevant local content, the establishment of an enabling environment that encourages investment, and the establishment of a legal and regulatory framework, including consumer protection, protection of privacy, intellectual property rights and encryption and electronic signatures. They also identified other areas where work is required, such as the collection of information on e-commerce and its dissemination to developing countries, the carrying out of case studies and analysis of e-commerce, focusing on such issues as on-line payments, trust-building mechanisms such as encryption and electronic certificates or signatures, new technologies such as interactive television, and cell phones, which can support e-commerce. The results of such studies would support capacity building and knowledge about e-commerce in developing countries.

416. With the support of the Development Account, UNCTAD has participated in programmes and events on e-commerce organized by other agencies and institutions such as WTO, ITU, WIPO and OECD and also by the private sector. This has not only been a useful learning process for UNCTAD staff but also gives UNCTAD the opportunity to share its views, opinions and knowledge about e-commerce with others.

417. At the request of the Chinese Government, UNCTAD has prepared a study on electronic commerce and the WTO, with the focus on China.

(e) Other observations

418. The Development Account has continued to play a pivotal role in enabling UNCTAD to carry out substantive work in the area of e-commerce.

419. A low level of awareness about the impact and potential benefits of e-commerce is still a major problem in many developing countries. This problem has also been recognized in the plan of action of the UN Task Force on Information and Communication Technology. As a member of the Task Force, UNCTAD will participate in various awareness-raising strategies, on the basis if experience. It will continue to organize events aimed at tackling lack of awareness.

420. The work being done in UNCTAD with the support of the Development Account will provide substantive inputs into UNCTAD's participation in the preparation of the forthcoming World Summit of the Information Society. UNCTAD is a member of the High-Level Summit Organizing Committee.

421. UNCTAD recognizes that a great deal of its work on e-commerce depends almost entirely on the availability of funds in the Development Account. Thus its expenditure of the Fund is being planned strategically in order to ensure the long-term sustainability of the e-commerce programme in UNCTAD, in particular with reference to activities to be undertaken for capacity building in electronic commerce in support of the relevant outcome of the fourth WTO Ministerial Conference.

D. DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT AND TRADE EFFICIENCY

(In dollars)

Project number	*Short title*	*Duration*	*Source of fund*	*Total budget*	*Cumulative expenditure*	*Expenditure 2001*
Trade logistics						
BGD/94/A57	Railway wagon information and control system (RAILWICS)	1995-2002	Germany	977 904	890 263	2 456
BKF/92/A35	Installation de RailTracker BTI (SCFB - SICF)	1992-2002	Burkina Faso	143 741	129 184	-515
BUL/99/A08	Design and implementation of an integrated management information system and upgrading of the data transmission network (SEMA Group)	1999-	Bulgaria	329 640	243 715	132 573
INS/98/011	Assisting private sector participation in maritime and related services	1998-2002	UNDP	164 000	160 111	9 657
IRA/99/008	ACIS in Iran (PortTracker)	1999-2002	UNDP	345 668	191 706	53 952
LEB/0T/0BZ	Preparatory Phase I for implementation of PortTracker	2000-	Lebanon	96 530	80 339	63 583
NEP/97/A53	Promotion of the trade and transport sectors of Nepal	1998-2002	Nepal	3 193 353	2 631 646	227 948
PAK/99/A01	Promotion of the trade and transport sectors	2001-2003	Pakistan	1 000 000	332 431	332 431
SOM/00/003	Support to cross-border initiatives – transport and trade	2000-	UNDP	425 451	369 812	312 361
SOM/96/A47 [a]	Assistance to the Bari Regional Administration	1996-2001	EC	460 265	442 009	23 801
SOM/98/001	Ports and trade efficiency for economic recovery of Somalia	1998-2001	UNDP	2 803 692	2 730 260	347 749
SUD/93/A10 [a]	Technical assistance to Sudan Railways Corporation (SRC)	1993-2001	Sudan/World Bank	141 433	116 713	-1 797
URT/93/A43	TCR Restructuring Project Design and Implementation of RailTracker	1993-	EC	504 720	470 415	5 901
INT/83/A04	Course on Improving Port Performance (IPP)	1983-	Multidonors	546 660	488 481	1 089
INT/88/A01	STRATSHIP: Strategic planning course	1988-	Norway	211 229	194 391	292
INT/93/A22	Introduction of multimodal transport and microcomputer software programmes	1993-2002	Multidonors	49 287	31 310	1 424
INT/97/A47	Seminar on the new commercial role of ports and port marketing	1998-2002	Belgium	91 664	77 928	24
INT/0T/0BB	Support for ACIS promotional activities	2001-2002	Multidonors	17 313	12 977	12 977
INT/0T/1AJ	ACIS RailTracker maintenance	2001-	Kenya, United Republic of Tanzania, Uganda	24 635	13 844	13 844
RAF/94/A70	Development and installation of ACIS in COMESA	1995-	EC	7 199 533	6 363 746	196 871
RAF/99/A07	ACIS RailTracker in Southern Africa (Rolling Stock Information System)	1999-	USAID	1 220 213	1 052 851	277 855
	Total Trade logistics			***19 946 931***	***17 024 132***	***2 014 476***
ASYCUDA						
BEN/0T/1AR	Migration to ASYCUDA++	2001-2003	Benin	163 090	34 926	34 926
BGD/0T/0BK	CAM - I Implementation of ASYCUDA	2001-	Bangladesh	447 480	136 484	136 484
BIH/0T/0BH	Computerization of Customs procedures and data in the Federation of Bosnia and Herzegovina and Republika Srpska Customs Administration	2000-2002	EC/PHARE	758 111	551 557	386 268
BKF/0T/1BS	Migration to ASYCUDA++	2001-2002	Burkina Faso	189 696	36 346	36 346
BOL/00/002	Apoyo a la implementación del sistema aduanero automatizado SIDUNEA	2000-	UNDP	689 500	308 394	187 660
BOT/0T/1AL	Implementation of ASYCUDA in Botswana	2001-2003	Botswana	1 044 000	288 039	288 039
CHD/99/003	SYDONIA ++	1999-2002	UNDP	710 370	611 541	159 725
COL/94/006 [a]	Modernización de la administración financiera – SIDUNEA	1996-2002	UNDP	1 148 600	1 137 742	74 692
CVI/0T/0BA	Migration au système SYDONIA ++	2000-2002	Cape Verde	296 602	2 833	2 833
ELS/99/002	Modernización del sistema de aduanas – migración a SIDUNEA++	1999-2002	UNDP	444 000	405 878	46 000

(for note see end of table)

D. DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT AND TRADE EFFICIENCY (continued)

(In dollars)

Project number	*Short title*	*Duration*	*Source of fund*	*Total budget*	*Cumulative expenditure*	*Expenditure 2001*
ERI/00/013	Computerization of customs procedures and data	2000-2002	UNDP	39 940	27 591	11 959
EST/97/A45	ASYCUDA	1998-2002	EC	617 242	544 614	19 874
ETH/97/013	Implementation of the ASYCUDA System	1998-	UNDP	665 000	652 409	37 806
GAM/98/002	Economic Management Capacity Building Programme II	1999-2002	UNDP	74 850	35 216	12 748
GEO/94/A52	Trade facilitation	1994-2002	Georgia	1 176 000	1 103 936	24 878
HON/99/022	Modernización del sistema de aduanas – migración a SIDUNEA++	1999-	UNDP	372 324	263 803	213 909
IRA/99/009	ASYCUDA (Phase II)	1999-2002	UNDP	263 182	168 025	81 343
JOR/96/004	Computerization of Customs procedures and data for improved revenue collection - Phase I	1997-2002	UNDP	1 749 400	1 026 683	107 491
LAT/00/A04	Continuing implementation of ASYCUDA	2000-	Latvia	54 641	46 956	6 408
LAT/98/A13	ASYCUDA	1998-	EC	481 634	481 049	-15 149
LIT/98/A14	ASYCUDA	1998-	EC	619 846	559 773	23 054
LIT/0T/0CB	ASYCUDA implementation project, Lithuania	2000-2002	EC	57 296	12 091	12 091
MAG/0T/1AA	ASYCUDA - Assistance to the Customs Board of Madagascar	2001-2002	EC	133 148	58 144	58 144
MAT/91/A10 [a]	ASYCUDA training course	1991-2001	Multidonors	133 904	134 416	826
MAT/91/A25	ASYCUDA	1992-2001	Malta	530 962	486 582	13 814
MCD/96/A03	ASYCUDA Support Activities	1996-	EC	908 302	830 869	12 655
MDV/97/002	Migration to ASYCUDA++	1998-2002	UNDP	111 245	65 540	10 750
MDV/98/007	ASYCUDA++ (migration project)	1999-	UNDP	45 000	46 406	7 390
MLW/98/A34	ASYCUDA	1999-	United Kingdom	870 674	456 407	146 036
NAM/94/A31	ASYCUDA	1993-	Denmark	1 801 000	1 585 564	-2 834
NEP/96/A08	Efficiency enhancement of customs operations	1996-	Asian Development Bank	880 000	815 074	569
NIC/99/A52	Migración a SIDUNEA++	1999-	Nicaragua	220 000	107 375	45 814
PAL/0T/1AX	ASYCUDA++ Preparatory Technical Assistance Project	2001-2002	Palestinian Authority	197 500	149 550	149 550
PHI/94/A36	ASYCUDA	1994-	Philippines	2 565 000	2 383 335	31 427
ROM/95/A53	ASYCUDA	1995-	United Kingdom	1 579 740	1 395 215	29 736
ROM/96/002	ASYCUDA	1996-	UNDP	273 000	272 766	-234
SLO/98/A25	Computerization of customs procedures and data	1998-	EC	604 684	534 329	1 908
SOM/00/008	Capacity building for customs development	2001-	UNDP	18 133	16 658	-1 475
SRL/97/A51	Customs modernization programme – Migration to ASYCUDA++	1997-	Sri Lanka	345 748	243 930	29 946
UGA/96/A48	ASYCUDA	1996-	Uganda/WB, UNDP/OPS	553 000	482 872	36 651
UGA/0T/1AP	Migration to ASYCUDA ++ – Customs Modernization Programme	2001-2002	Uganda	131 173	3 834	3 834
URT/98/009	ASYCUDA	1999-2002	UNDP	376 023	261 439	107 416
VEN/0T/0BE	Piloto SIDUNEA++	2000-	Venezuela	790 000	401 513	331 357
YEM/97/002	Strengthening economic and financial management (Phase II) ASYCUDA ++ and DMFAS	1998-	UNDP	2 797 114	1 669 194	715 262
ZAM/97/A46	Computerization of Customs Procedures	1997-2002	United Kingdon	104 440	85 919	638
ZAM/0T/1AW	Migration to ASYCUDA++	2001-2002	United Kingdom	173 884	108 387	108 387

(for note see end of table)

D. DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT AND TRADE EFFICIENCY (continued)

(In dollars)

Project number	*Short title*	*Duration*	*Source of fund*	*Total budget*	*Cumulative expenditure*	*Expenditure 2001*
ZIM/99/A40	Institutional strengthening of Customs data processing system	1999-	World Bank	735 530	588 504	216 669
INT/94/A49	ASYCUDA marketing activities	1994-2002	Multidonors	181 858	128 193	23 855
INT/98/A17[a]	LDC participation in World ASYCUDA Meeting (Manila, 9-10 March 1998)	1998-	Switzerland	164 000	86 647	-5 504
INT/98/A19	Support for ASYCUDA implementation activities	1998-2002	Multidonors	54 778	49 218	10 067
INT/98/A26	Support to the enhancement of ASYCUDA – Development of a transit module	1998-2002	Switzerland	1 200 000	986 405	208 207
INT/98/A42	Support for ASYCUDA implementation activities	1998-	Multidonors	589 366	459 299	102 777
INT/99/A57	ASYCUDA: passage à l'an 2000	2000-2002	France	119 807	65 019	14 295
INT/99/A65	Soutien aux administrations des douanes des pays utilisateurs du système SYDONIA - Bogue de l'an 2000	1999-2002	France	459 621	295 005	129 863
INT/0T/0BT	Realization of an ASYCUDA-SAFETIR interface	2000-	Internationl Road Transport Union (IRU)	89 270	60 133	60 133
RAF/92/A37	Computerization of customs and foreign trade statistics for the Eastern and Southern Africa COMESA (EUROTRACE regional project)	1992-	EC	3 964 041	3 648 194	12 030
RAF/99/A14	SYDONIA v 2.7 (pays de la CEDEAO, et Centre Informatique Communautaire de la CEDEAO (CIC))	1999-	ECOWAS	219 180	206 073	18 198
RAS/00/A05	ASYCUDA implementation and support in the Asia/Pacific region	2000-2003	Multidonors	119 458	65 006	41 605
RAS/98/A07	Computerization of Customs Data and External Trade Statistics	1998-	Australia	4 316 600	3 576 150	847 684
RAS/98/A21	Customs human resource development programme in Asia and the Pacific	1998-	Japan	317 420	253 881	2 116
	Total ASYCUDA			***39 013 007***	***30 596 233***	***5 408 947***
Information and Training						
INT/99/A54	CD-ROM training on management	1999-2002	Netherlands	77 190	67 412	62 109
INT/0T/1AS	Training course on international economic issues (paragraph 166 of the UNCTAD X Plan of Action)	2001-2002	Italy	105 221	58 007	58 007
	Total Information and Training			***182 411***	***125 419***	***120 116***
Human Resources Development						
BRA/98/A29	Préparation d'un plan de développement de ressources humaines et de formation dans le domaine portuaire et para-portuaire, et du commerce international	1998-2002	Belgium	59 934	37 247	1 746
CVI/99/A20	Préparation d'un plan de développement des ressources humaines et de formation portuaire, para-portuaire et du commerce international	1999-2002	Cape Verde, Belgium	50 375	46 657	1 644
ROM/94/A25	TRAINMAR: Maritime School of Costanza	1994-	EC	82 680	75 430	714
CAR/95/A65	TRAINMAR - Caraïbes	1995-	France	257 072	170 299	593
INT/91/A15	TRAINMAR	1991-	Multidonors	608 683	513 589	10 648
INT/94/A54	Centre TRAINMAR Belgique	1994-2002	Belgium	560 847	484 345	79 093
INT/96/A55	TRAINMAR	1996-2002	Multidonors	126 297	114 326	31 463
INT/99/A51	TRAINMAR	1999-2002	Netherlands	116 279	102 435	50 214
INT/99/A61	Promotion of the international TRAINMAR Programme	1999-2002	Germany	34 000	29 390	6 285
RAF/96/A44	African commodity sector diversification through South-South cooperation	1996-2002	Japan	450 000	278 689	-19 103
RAF/96/A49	TRAINMAR in Western/Central Africa (Certificat portuaire CNUCED)	1997-	Multidonors	399 935	337 188	37 048

(for note see end of table)

D. DIVISION FOR SERVICES INFRASTRUCTURE FOR DEVELOPMENT AND TRADE EFFICIENCY (concluded)

(In dollars)

Project number	*Short title*	*Duration*	*Source of fund*	*Total budget*	*Cumulative expenditure*	*Expenditure 2001*
RAF/98/A04	Appui TRAINMAR aux Pays Africains de Langue Officielle Portugaise (PALOP)	1998-2002	Portugal	33 549	27 311	2 941
	Total Human Resources Development			***2 779 651***	***2 216 906***	***203 286***
TRAINFORTRADE						
ROM/97/A15	TRAINFORTRADE	1997-	Switzerland	400 000	376 771	40 343
INT/90/A18	Training in the field of foreign trade	1990-	France	1 310 076	1 096 068	177 085
INT/99/A68	Appui au programme TRAINFORTRADE.	2000-2002	Canary Islands	19 935	16 676	-1 143
RAF/99/A09	Mise en place de capacités de formation du commerce international (TRAINFORTRADE)	2000-2002	France	386 084	123 998	92 421
	Total TRAINFORTRADE			***2 116 095***	***1 613 513***	***308 706***
Trade Points						
BUL/98/A02	Increasing the participation of Bulgarian SMEs in international trade through the establishment of a Trade Point in Sofia	1998-	Switzerland	164 000	68 017	30 645
HUN/94/003	Preparing participation of Hungary in the UNCTAD Trade Point Programme	1995-	UNDP	51 975	50 828	12 220
MOZ/99/A45	Launching an operational trade point in Mozambique	1999-	World Bank	40 680	28 083	5 343
ROM/97/A02	Increasing the participation of Romanian SMEs in international trade through the establishment of a Trade Point in Bucharest	1997-	Switzerland	160 600	142 094	20 659
INT/95/A67	Setting up the Global Trade Point Network	1995-	Switzerland	1 600 208	1 414 227	34 199
RAS/99/064	Strengthening Trade Points in Asia/Pacific for Regional Cooperation	2001-	UNDP	318 182	33 055	33 055
	Total Trade Points			***2 335 645***	***1 736 304***	***136 121***
	DIVISION TOTAL			**66 373 740**	**53 312 507**	**8 191 652**

Note: EC = European Commission.

[a] Project which has been "operationally but not financially completed" or "completed" in 2001.

E. Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries

422. ***Features:*** The Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries (OSC-LDCs) continued in the year 2001 to be the focal point for LDC-related issues and pursued the goal of promoting the growth and development of the LDCs. In addition to its activities with respect to LDCs, the office was responsible for coordinating the activities related to landlocked developing countries (LLDCs) and small island developing states (SIDS), some of which are also LDCs. Activities undertaken during the year 2001 concentrated mostly on finalization of the preparations for the Third United Nations Conference on LDCs (LDC-III), the Conference itself and its immediate consequences. The preparations were carried out at country, regional and global levels and involved country missions, support to National Preparatory Committees (NPCs), inter-agency coordination, Consultative Forum meetings, the involvement of civil society and the private sector in the preparatory process, mobilization of resources for the Conference and logistical arrangements, development of strategy for the Conference and finalization of the Programme of Action. Other activities undertaken in the year 2001 were in the context of the Integrated Framework for Trade-related Technical Assistance to LDCs (the LDCs' Zanzibar preparatory meeting for the WTO Ministerial Conference in Doha), support to LLDCs to improve the efficiency of their transit transport system, and support to SIDS for sustainable development in goods and services.

1. Preparations for LDC-III

423. At the ***country level,*** the comprehensive preparatory process initiated in the year 2000 in 46 LDCs continued in 2001 by focusing its activities on the formulation of action-oriented national development policies and strategies as reflected in National Programme of Actions (NPAs) that were used as main inputs to the preparation of the Global Programme of Action that was discussed and adopted by the Conference. At the ***regional level***, three NGO regional – level preparatory meetings were organized and convened – one for Asia, one for Africa and one for the Pacific. The purpose of these meetings was to provide inputs to the country-level preparatory process, the preparatory process for the Conference and the Conference itself. At the ***global level***, in partnership with a global array of collaborating organizations the Office achieved advances in publicity and advocacy for the Conference. It organized expert meetings on gender and development (Cape Town), and actively participated in the preparation of a meeting on tourism (Canary Islands) and another on partnership for development (Oslo). It also organized Inter-Agency Consultative Forums to mobilize and coordinate all relevant organizations and bodies of United Nations system. The Office also helped to organize the two meetings of the Intergovernmental Preparatory Committee (IGPC) (New York, February and April 2001), which had the task of giving substance to the draft Global Programme of Action.

2. Activities related to the Integrated Framework for Trade-related Technical Assistance

424. The IF has been operational since October 1997, with the major objective of helping LDCs to enhance their capacity to further integrate in the global economy.

425. In March 2001 a pilot scheme was launched by the IF Steering Committee to implement the new arrangements for the IF resulting from the recommendations of the IF-mandated review carried out in 2000. The pilot scheme was initially implemented in three countries, namely – Cambodia, Madagascar and Mauritania. The main task was the preparation of diagnostic trade integration studies (DTIS) in the three countries. The three studies were completed by the end of Decembe. 2001. Drawing from lessons learned from the initial phase of the pilot scheme, the IF Steering Committee approved the extension of the Pilot Scheme to 11 new countries – Burundi, Djibouti, Ethiopia, Eritrea, Guinea, Lesotho, Malawi, Mali, Nepal, Senegal and Yemen.

426. UNCTAD, worked closely together with other core agencies in the preparation of the three DTIS in the initial three pilot countries, led by the World Bank, as part of the process of mainstreaming trade into

the national development plans and strategies of the countries concerned. This work included contributing to the studies as well as participating in the national workshops organized in Mauritania and Cambodia to consider the findings and recommendations emerging from the studies, including technical assistance action plans.

427. As immediate follow-up to the completion of the three DTIS, UNCTAD initiated consultations with the Governments of the three pilot countries with a view to responding to the technical assistance action plans/matrices identified in those studies.

428. UNCTAD prepared technical assistance activities in collaboration with the core agencies for Haiti as one of the five IF Round Table countries benefiting from resources allocated from the IF Trust Fund by the IF Steering Committee for follow-up of the project priorities identified under the previous IF Round Table process. Implementation of those activities is now under way.

3. Activities related to LLDCs

Bilateral and regional agreements

429. The subprogramme continued in 2001 to provide assistance for an effective strategy to improve the transit systems of landlocked developing countries and those of North-East Asia. In this context, one should mention the conclusion of several bilateral and subregional agreements that underpinned regional transit cooperation. UNCTAD's worldwide experience in working with landlocked and transit developing countries played a major role in providing effective solutions to transit problems.

(a) Transit Traffic Framework Agreement (TTFA) between the People's Republic of China, Mongolia and the Russian Federation

430. UNCTAD provided assistance for the negotiation of a TTFA. The first meeting, which was held in Ulaanbaatar, Mongolia, in May 2000, was followed by two meetings in 2001 in Tianjin, China, and Irkutsk, Russian Federation, respectively. Negotiations on the TTFA are expected to be concluded at the fourth meeting, which will be held in Ulaanbaatar in June 2002.

431. The TTFA will lay the basis for a solid subregional regulatory framework that would make transit operations in North-East Asia efficient and cost-effective, thus promoting the external trade of the subregion and bolstering its economic growth. The TTFA is defined as a framework agreement because it foresees the negotiation of annexes, which would form an integral part of TTFA. As indicated in the relevant articles, for example Articles 7 and 8, the annexes would be negotiated and agreed at a later stage. They address technical issues such as customs procedures, vehicle dimensions and maximum vehicle weights.

(b) Revision of the Northern Corridor Transit Agreement between Burundi, Democratic Republic of the Congo, Kenya, Rwanda and Uganda

432. Transit cooperation between the East African countries of Burundi, the Democratic Republic of the Congo, Kenya, Rwanda and Uganda has been governed by the Northern Corridor Transit Agreement (NCTA), which was drafted by UNCTAD in the 1980s. After 15 years of NCTA operation, the contracting parties have agreed to extend its application for another 15 years. However, they have asked UNCTAD to review the NCTA and recommend changes which will make it more effective and comprehensive. UNCTAD worked in 2001, and is still continuing working, on proposals to extend the scope of the NCTA and to provide for the greater participation of the private sector. The future NCTA would also be the focal point for the mobilization of investments needed for the development of the Northern Corridor.

433. In December 2000, the UNCTAD secretariat assisted in organizing a consultative meeting on the transit transport systems of the Lao People's Democratic Republic. The outcome of the meeting was the adoption of the Vientiane Plan of Action aimed at improving transit transport systems in the subregion.

4. Activities related to SIDS

434. Some technical cooperation activities took place in the Caribbean and the Pacific. In Saint Lucia, three one-week training seminars for the benefit of the staff of the Department of International Financial Services were conducted on international insurance companies, mutual funds and international banks. In the Pacific, the following activities were carried out through the Pacific Islands Forum Secretariat: assistance to the Governments of Kiribati and Tuvalu in preparing their national programme of action for presentation to the Third United Nations Conference on the Least Developed Countries; counterpart support to the UNCTAD secretariat in organizing a regional workshop on diversification in commodity trading in the Pacific; and formulation of a regional model law for the protection of intellectual property rights based on traditional knowledge related to biological resources.

E. OFFICE OF THE SPECIAL COORDINATOR FOR LEAST DEVELOPED, LANDLOCKED AND ISLAND DEVELOPING COUNTRIES

(In dollars)

Project number	*Short title*	*Duration*	*Source of fund*	*Total budget*	*Cumulative expenditure*	*Expenditure 2001*
Least developed countries						
BGD/00/002	Country-level preparations for the Third UN Conference on LDCs	2000-2002	UNDP	57 855	14 963	-17 037
BHU/00/007	Support to Bhutan's participation in the Third UN Conference on LDCs	2000-	UNDP	55 000	20 000	11 000
LAO/00/004	General transit transport system in the Lao PDR	2000-2002	UNDP	111 500	72 216	39 901
NEP/00/004	Assessment/preparation of National Programme of Action for UNLDC III	2001-2002	UNDP	21 000	20 804	7 304
STL/99/A56	Support to the sustainable development of Saint Lucia's trade in goods and services	1999-	Ireland	68 400	59 269	1 559
SUD/00/004	Country-level Preparations for LDC III	2000-	UNDP	62 000	-	-43 000
VAN/99/A26	Amélioration de l'efficacité commerciale, encouragement de l'investissement étranger, et réduction de la vulnérabilité économique	1999-	France	68 495	44 358	9 443
YEM/00/002	Country-level Preparations for the Third UN Conference on LDCs	2000-	UNDP	46 000	30 439	5 439
GLO/01/316	Third UN Conference on the LDCs: Pre-Conference Event: Workshop on LDCs	2001-	UNDP	136 364	67 912	67 912
INT/00/A24	LDCs participation in UNCTAD X	2000-2002	United Kingdom, Norway	57 021	33 618	5 625
INT/96/A14	Follow-up and implementation of measures in favour of LDCs adopted by major global conferences	1996-	Netherlands	956 410	858 022	29 149
INT/97/902	TCDC – Operational support to sustainable human development (SHD) (Phase I)	1998-2002	UNDP	80 000	75 527	35 727
INT/97/A09	Trust Fund for Least Developed Countries: core project	1997-	Multidonors	5 189 480	4 030 794	1 800 740
INT/0T/0CO	Support for the Preparatory Process for the Third United Nations Conference on LDCs	2000-2002	Netherlands	670 823	433 915	62 047
INT/0T/0CQ	Workshop on "LDCs: Building Capacities to Mainstream Gender in development Strategies"	2001-2002	Sweden, Denmark	285 946	116 504	116 504
RAS/00/A02	Support to the Forum Secretariat	2000-	Ireland	80 000	27 458	8 138
	DIVISION TOTAL			**7 946 294**	**5 948 799**	**2 140 451**

F. Executive Direction and Management and Support Services

435. Certain technical cooperation activities are undertaken centrally in view of their interdivisional nature.

1. The UNCTAD/UNDP Global Programme on Globalization, Liberalization and Sustainable Human Development

436. ***Development context:*** Amidst rapid technological change and competitive economic pressures, the UNCTAD/UNDP Global Programme on Globalization, Liberalization and Sustainable Human Development aims to assist developing countries to meet the challenge of globalization, while pursuing sustainable economic growth compatible with a harmonious environment. The Programme is a unique "flagship partnership" between UNCTAD and UNDP. It draws on the mutually reinforcing knowledge and experience of UNDP (sustainable human development) and UNCTAD (trade and development) expertise in the developing countries' challenges during the process of development. The Programme interacts with Governments and, as appropriate, with NGOs, academic organizations and the private sector in consistent and convergent technical interactive support that would enhance Governments' endeavour to build upon constructive national consensus on development. The dialogues are built in a transparent and participatory manner and should provide Governments with a better understanding and a basis for a sustainable human development strategy. This in turn should reinforce the national concept of ownership of development process. Established in 1998, the Programme is financed by UNDP and the Governments of Belgium and Italy. It is executed at UNCTAD in Geneva.

437. ***Objectives/features:*** The Programme acts primarily at the country level through strategic sectoral studies. It commissions country assessment studies, which examine the linkages between liberalization, consistent economic growth and sustainable human development. The findings, discussed at national workshops attended by government ministers and representatives of all sections of society, provide the basis for building action plans elaborated through a transparent participatory process that favours the overreaching objective of national ownership. The Programme seeks to offer a general view derived from lessons learned on the ground as well as conceptual considerations based on academic and UN-based analytical activities, and then seeks to follow up on these action plans by identifying partners to support their implementation financially.

438. At the global level the Programme funds expert meetings and workshops on topics that cross State boundaries, are relevant to its goals and feed positively into its national-level framework. Activities have included workshops on trade capacity building, the linkages between transnational corporations and small and medium-sized enterprises, regional policy dialogues, investment and enterprise development, and the challenges of integrating least developed countries into the multilateral trading system. In working at the global level, the Programme also seeks to create partnerships with international and regional organizations, private corporations and NGOs.

439. ***Outputs/results:*** In 2001 the UNCTAD/UNDP Global Programme carried out its activities at a global and a country level.

440. At the *global* level, the Programme convened two meetings on African commercial diplomacy, held in Mauritius in September 2001. The meetings aimed at identifying the research and training needs of trade policy makers and negotiators in the African region. They highlighted the lack of experts required for adapting national legal systems and policies to multilateral trade disciplines. A meeting on the Enhancement of SMEs' Competitiveness through Linkages with Multinationals was held in China in December 2001. It aimed at analysing the most suitable policies to attract foreign direct investment and boosting export competitiveness.

441. At the *country level*, in-depth country assessments (CAs) on the impact of globalization on economic, social and human development were carried out in Tunisia and Mali.

442. The first mission to Tunisia (Tunis) was undertaken in February 2001. Its aim was to contribute to the consultations on the CA for Tunisia being prepared by national consultants. This aims to assess, in the context of globalization and accelerated regional integration, the major economic and social achievements in Tunisia and identify key development challenges ahead. Three main areas of the study were analysed: international trade, investment and related human development issues. The preparation of the CA involved all United Nations organizations present in Tunisia, as well as a number of non-resident agencies. The elaboration of the CA also required the participation of resource persons from civil society and non-governmental organizations. A joint United Nations/Government of Tunisia Steering Committee monitored the exercise to ensure its consistency with the parallel effort of the preparation of the tenth National Economic and Social Plan for 2002-2006. The resulting CA study also provided the conceptual background for the formulation of the 2002-2006 United Nations Development Assistance Framework (UNDAF). A national workshop to examine the CA study was held in Tunis in September 2001 and discussed the recommendations contained therein.

443. A similar exercise was carried out in Mali. Two UNCTAD missions were undertaken to Mali in January and July 2001 to review the progress of work for the preparation of the study and to launch the CA Mali study. A national workshop was held in January 2002 to review the findings of the national diagnostic; the seminar also discussed policy options to foster the integration of Mali into the global economy.

444. ***Future activities:*** The Programme is to launch CAs in countries such as Indonesia, Jordan, Morocco, Romania, Senegal, the United Republic of Tanzania, Turkey, Ecuador, (Sudan or Yemen) and Viet Nam. In countries which have carried out CAs during the first phase, the focus will be on implementation of the policy recommendations adopted during the national seminars and on strengthening national capacities. It will also ensure some follow-up activities in LDCs which have gone through the Integrated Framework process and have adopted a technical cooperation programme to strengthen their capacities for trade and trade-related areas.

445. The Programme will convene two expert meetings in Geneva – on best practices in the transfer of technology and on policy dialogue on home country measures to encourage FDI in LDCs – and one regional seminar in Bangkok on governance and globalization in cooperation with Harvard University and the Thai Institute for Trade and International Development.

446. The e-strategy of the Programme will be fostered. A new website will be launched (www.globalprogramme.org). In addition to including all news, publications and information on the Programme, it will provide downloadable materials to participants in the meetings organized by the Programme. The new website will also host the Programme's knowledge-networking on-line activity – talkdevelopment.info. These interactive dialogues will provide new ideas and experiences in the fields of globalization, liberalization and sustainable human development, and will contribute to creating a network of professionals with experience in these areas.

2. Capacity building in dispute settlement in international trade, investment and intellectual property

447. ***Development context:*** Dispute settlement is a central feature of the multilateral trade, investment and intellectual property system. This is reflected in the establishment in recent years of a number of dispute settlement bodies such as the International Centre for Settlement of Investment Disputes, and those of the World Trade Organization and the World Intellectual Property Organization. Developing countries and countries with economies in transition are increasingly participating in cases brought to these bodies. These countries are seeking assistance in building the requisite capacity to protect their national trade policy objectives when disputes arise concerning commitments undertaken by their trading and investment partners. They are aware that their limited skills and knowledge of how to secure parties' compliance with trade, investment or technology agreements can adversely affect their development policies and can further marginalize them as potential beneficiaries of trade and investment opportunities.

448. ***Objectives:*** The Programme on Dispute Settlement in International Trade, Investment and Intellectual Property will respond to this need by strengthening the capacity of both public and private institutions in this area. The Programme provides for a concerted and comprehensive training programme on dispute settlement which will contribute to:

- Enhancing the institutional capacity of universities and research institutions to provide instruction and promote research on dispute settlement;
- Promoting the rule of law by improving the knowledge and level of critical awareness within national institutions of the legal framework governing dispute settlement in international economic and trade relations; and
- Promoting democracy in developing countries by creating a better understanding of dispute settlement in trade, investment and intellectual property.

449. ***Features:*** The training of government officials, legal practitioners, academics and business counsellors is the central feature of this project. A handbook on dispute settlement will be the key training tool.

450. ***Output:*** A number of preparatory activities were carried out. The preparation of a handbook on dispute settlement was taken in hand. A network of international lawyers to give 40 hours of advice a year, free of charge, to Governments of least developed countries was established. Regional institutions in developing countries, competent to participate in the delivery of the planned training, were identified. Several young university graduates from developing countries received in-house training.

451. ***Results:*** The impact of this project should be assessed after the training, using the handbook on dispute settlement, has begun.

3. Capacity Building Project on TRIPS and Development

452. ***Development context:*** Intellectual property protection was until recently the exclusive domain of specialists and people making their living as producers and consumers of intellectual property rights (IPRs). The TRIPS Agreement has signalled a significant shift in this regard. Its incorporation into the multilateral trading system and its relationship with health, food supply, industrial development and cultural values have given rise to great concern about its pervasive role in the life of people and in society in general. IPR issues are permeating national, bilateral, regional and multilateral agendas. At present, developing countries' main concerns in relation to TRIPS are: the options, costs, opportunities and challenges arising from the Agreement; preparing them for the various types of implementation, including the provision of training and financial assistance for enforcing IPRs; maintaining the appropriate flexibility in the implementation of the various provisions of the Agreement; and implementing IPRs in a way that promotes dynamic competition through the acquisition and local development of technology in an environment that is conducive to sustainable growth and development.

453. The existing evidence on the impact of TRIPS on developing countries is limited and inconclusive. Some preliminary work has been conducted on how *costs* vary with a country's stage of development and industry/technology base, and, in terms of *benefits*, it has been argued that data show an increase in FDI following IPR reforms in countries such as Malaysia and Chile. But it is not possible to know how much is due to other determinants of investment such as economic growth and demand expansion.[3] In addition to the lack of information on concrete cases, the TRIPS Agreement involves diverse elements and their effects vary across industries, sectors and even countries, depending on the level of technological and

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[3] See, for example, UNCTAD, *The TRIPS Agreement and Developing Countries*, 1986, pp. 23-26.

economic development. More case studies are needed before one is able to generalize with certainty about the impact of the TRIPS Agreement on developing countries.

454. This is a two-year project being implemented by the UNCTAD and the International Centre for Trade and Sustainable Development (ICTSD).

455. ***Features:*** The project will produce a series of documents through a participatory process involving trade negotiators and national policy makers, as well as eminent experts in the field, the media, NGOs, international organizations, and institutions in the North and the South dealing with IPRs and development. The published outputs are not intended to be academic exercises, but instruments that, in their final forms, will be the result of a thorough process of consultation. This will be achieved by rapid development of working drafts and circulation of these to experts and to the intended audiences for their comments. These documents include:

(i) *A Policy Discussion Paper* intended to be a clear, jargon-free synthesis of the main issues to help policy makers, stakeholders and the public in developing and developed countries to understand the varying perspectives surrounding different IPRs, their known or possible impact on sustainable livelihoods and development, and different policy positions regarding TRIPS;

(ii) *A Resource Book on TRIPS and Development* conceived as a guide that will provide background and technical information on the main issues under discussion in TRIPS. It should be a practical tool for negotiators and policy makers in order to facilitate their informed participation in negotiations and decision-making processes;

(iii) *Case studies* on various IPR issues to supplement the Resource Book and the Paper. This will allow concrete evidence to emerge and shed light on the impact and relevance of IPRs in developing countries. The case studies will be selected on the basis of concerns expressed by developing countries as well as priority areas identified by their negotiators. These studies will cover areas such as compulsory licensing, technology transfer, nutrition and geographical indications.

456. In addition, the project will develop background material dealing with a typology of developing countries in relation to IPR issues, a review of literature and a review of current activities in selected institutions on TRIPS and development.

457. ***Objectives:*** The main goals of the project are as follows:

- To improve understanding of the development implications of the TRIPS Agreement;
- To strengthen the analytical and negotiating capacity of developing countries so that they are better able to participate in IPRs-related negotiations in an informed fashion in furtherance of their sustainable development objectives.

458. ***Outputs/Results:*** The UNCTAD-ICTSD project was launched in August 2001. In that year a number of activities were initiated, including the circulation of a preliminary version of the Policy Discussion Paper entitled *Intellectual Property and Development* and of a background study dealing with indicators of the relative importance of IPRs in developing countries. Cases studies are in preparation as well as a review of activities being carried by selected organizations and institutions in the area of IPRs and development and a review of literature on IPRs and development. The preparation of the Resource Book is also under preparation. All outputs of the projects will be ready at the end of its two-year duration and are being disseminated in draft form through regular channels, including the project website (http://www.ictsd.org/unctad-ictsd). Informal meetings are organized in the context of ICTSD activities to brief and received feedback from interested delegations.

4. Advisory services

459. As reported in previous years, UNCTAD's technical cooperation is supported not only from project-specific funds but also from another source, namely section 21 of the United Nations programme budget.

460. Under section 21 of the United Nations programme budget, UNCTAD received for 2001 an allotment equivalent to 67 work months, together with travel, consultants, fees and individual fellowship funds, for the purpose of participating in interregional advisory services, together with funds for participants in seminars. These resources were devoted to five main areas: (a) globalization and development; (b) international trade in goods and services and commodities issues; (c) investment, enterprise development and technology; (d) services infrastructure for development and trade efficiency; and (e) least developed countries. Advisers undertook 22 missions in 2001.

F. EXECUTIVE DIRECTION AND MANAGEMENT AND SUPPORT SERVICES

(In dollars)

Project number	*Short title*	*Duration*	*Source of fund*	*Total budget*	*Cumulative expenditure*	*Expenditure 2001*
Executive Direction and Management						
GLO/01/615	Globalization liberalization and sustainable development PHASE II	2001-	UNDP	930 000	48 099	48 099
GLO/98/615	Globalization, liberalization and sustainable human development	1998-2002	UNDP	1 511 363	1 555 347	280 957
GLO/98/B02	Globalization, liberalization and sustainable human development	1998-2001	UNDP	272 727	272 727	-9 878
INT/00/A27	Building capacity through training in the settlement of disputes in international trade, investment and intellectual property	2001-2003	Multidonors	80 875	40 469	40 469
INT/90/A10	Liaison and assistance with technical cooperation donors	1990-	Italy	568 249	491 164	19 659
INT/98/901	Globalization, liberalization and sustainable human development	1999-2002	UNDP	227 273	209 061	42 923
INT/99/A67	UNCTAD X Civil Society Participation	1999-2002	Multidonors	30 441	9 326	5 628
INT/99/A73	Facilitating the organization of, and enhancing participation, at UNCTAD X	2000-2002	Belgium	119 314	103 277	3 572
INT/0T/0BU	Support to UNCTAD's technical cooperation	2000-	Belgium	231 612	158 655	158 655
INT/0T/1AK	Financing of participation of experts from developing countries and countries with economies in transition in UNCTAD Expert Group	2001-	Finland, Iceland, Mauritius	82 568	62 663	62 663
INT/0T/1BH	TRIPS and Development Capacity Building	2001-2003	United Kingdom	214 700	137 331	137 331
RAF/98/001	Globalization, liberalization and sustainable human development	1999-2001	UNDP	500 000	474 071	132 942
	DIVISION TOTAL			**4 769 122**	**3 562 190**	**923 020**